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TODAY:  
STAGE

## Cyberburglars Weave a Web Around Globe

### Computer Espionage Booms As Rivals and Governments Target Corporate Databases

By Tom Buurke  
International Herald Tribune

LONDON — They are the ultimate corporate nightmares of the information age: A laptop computer containing plans for a product introduction disappears during a weekend strategy session. An executive targeted by downsizing seeks revenge by shopping the company's trade secrets to competitors. A skilled hacker wanders undetected through a company's most sensitive databases after stealing passwords with software downloaded from the Internet.

The spread of high technology from computer-related industries to traditional manufacturing to services such as banking has been a double-edged sword for business. Knowledge today is a more powerful and more valuable asset than ever before, but it is also more difficult to control.

As a result, companies and individuals are increasingly employing tactics reminiscent of Cold War espionage to get sensitive information, or to prevent their trade secrets from getting into enemy hands. The recent U.S. investigation into the possibility that a U.S. subsidiary of Reuters Holdings PLC employed a consultant to take proprietary information from Bloomberg LP has put corporate sleuthing under a spotlight.

"The requirement to get a competitive edge is getting greater and greater, and people will go to extreme lengths to get that competitive edge," said Richard Blakesley, managing director of the London office of Kroll Associates, a U.S.-based firm specializing in corporate intelligence.

Much of the activity goes undetected, and many corporate victims are unwilling to disclose their losses for fear of negative publicity, but experts in industry and law enforcement agree that business espionage is both big and booming.

The potential loss to corporate America from the theft of intellectual property may amount to more than \$300 billion a year, according to a recent survey of Fortune 1,000 companies and the 300 fastest-growing U.S. companies that was conducted by the American Society for Industrial Security. The chief targets were high-tech industries such as computers, computer software and semiconductors, followed by other knowledge-based industries such as pharmaceuticals.

U.S. companies say the bulk of the poaching is done by domestic competitors, while the Federal Bureau of Investigation has warned of increased espionage by companies and governments from

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## When Athletes Say: Make Sports, Not War



Political rivalry and international hostility can fade in time, especially in the sports arena. That was demonstrated Tuesday in Tehran, above, with U.S. wrestlers marching to applause in the first appearance by American athletes in Iran since the revolution in 1979 and the first time since then that the Star-Spangled Banner has been treated with respect rather than rage. In Japan, below, women skaters from four enemies in the Korean War during the 1950s — left to right, the United States, North Korea, South Korea and China — competing in the Olympics.



Eric Fiebert/Agence France-Press

## Clinton Tells Iraq It Must Comply

### President Says Military Action Is 'Sometimes the Only Answer'

By Brian Knowlton  
International Herald Tribune

WASHINGTON — President Bill Clinton issued a stern and uncompromising warning Tuesday to Iraq, saying that if it does not comply fully with all United Nations resolutions and permit unrestricted inspections of suspected weapons sites, the United States will launch a military attack.

"Force can never be the first answer," he said, speaking solemnly. "But sometimes it's the only answer."

Mr. Clinton tempered his comments by saying that a diplomatic solution remained his strong preference.

"Saddam Hussein could end this crisis tomorrow," he said, "simply by letting the UN inspectors complete their mission."

Vice President Al Gore, appearing with Mr. Clinton, emphasized that "we're working around the clock to pursue a possible diplomatic solution."

Mr. Clinton appeared to be preparing the American public for a military strike, with the diplomatic and human costs that would entail.

After receiving a briefing by top Pentagon officials on the American deployment in the Gulf region, he said the military was ready to carry out its mission. "The American people have to be ready as well," he added.

Speaking at the Pentagon to an array

of the nation's top military, political and national security leaders, he said that a diplomatic solution was still available, but only if it met "a clear, immutable, reasonable, simple standard."

"Iraq must agree, and soon, to free, full, unfettered access to these sites, anywhere in the country," he said.

Mr. Clinton referred to the scores of presidential palaces and other sensitive

France urges last push for a diplomatic solution. • Bombs may target Iraqi security apparatus. Page 11.

sites that Iraq has refused to open to the weapons inspectors of the United Nations Special Commission, or UNSCOM. "There can be no dilution or diminution of the integrity of the inspection system that UNSCOM has put in place," Mr. Clinton said.

If Mr. Saddam refuses those terms, or if he delays, Mr. Clinton said, "he and he alone will be to blame for the consequences."

Defense Secretary William Cohen said Monday that the United States was sending up to 6,000 more soldiers to Kuwait. The deployment would bring the number of U.S. ground troops in the Gulf region to about 10,000.

Mr. Clinton's speech came as far-

See IRAQ, Page 11

## Flouting IMF, Suharto Fires Central Banker

### Move Exposes Deep Rift Over Currency Plan

By Keith B. Richburg  
Washington Post Service

JAKARTA — President Suharto fired the independent-minded governor of Indonesia's central bank Tuesday, exposing deep fissures in the country's ruling circle over economic policy and sending a signal that the president intended to press ahead with a plan to peg the battered local currency to the U.S. dollar over the objections of the United States and the International Monetary Fund.

Sudrajat Djiwandono, governor of Bank Indonesia, was "terminated with respect," according to a terse statement from the presidential palace handed down late in the day. He was succeeded by Suharti Sabirin, who was with the World Bank in Washington before returning here in December to become one of the directors of the central bank.

Mr. Sudrajad was at his home Tuesday night but declined to comment on his dismissal, a family member said.

Mr. Sudrajad was considered among economists to be a leading opponent of Mr. Suharto's plan to set up a "currency

board" that would peg the rupiah to the dollar — a drastic measure that, if implemented, would virtually strip the central bank of its powers. The IMF has threatened to withhold \$43 billion in aid to the country if the proposal is adopted.

Mr. Sudrajad also incurred the wrath of Mr. Suharto's well-connected children several months ago, first by refusing a \$1.26 billion line of credit to

Indonesia has lost its leadership position in Southeast Asia. Page 13.

an automobile company run by the president's son Tommy, then by closing 16 banks and finance companies considered insolvent — one of which was owned by another Suharto son, Bambang Trihatmodjo. Tommy Suharto did get a credit line, but only half as much as he had requested, and Bambang Trihatmodjo's bank was closed but managed to reopen under another name.

Mr. Bambang and a daughter of Mr.

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## A 'Complicated Story,' Clinton's Spokesman Says

By Brian Knowlton  
International Herald Tribune

WASHINGTON — As the grand jury investigating the Monica Lewinsky case resumed its deliberations Tuesday, President Bill Clinton's chief spokesman said that the relationship between the president and the former intern could be "a very complicated story" that might not be "entirely easy to explain."

The comments, from a Chicago

Tribune interview with the spokesman, Michael McCurry, came as a retired Secret Service officer, Lewis Fox, went before the grand jury looking into allegations that Mr. Clinton had an affair with Ms. Lewinsky and then urged her to lie about it under oath.

Mr. Fox became the first former or present Secret Service officer to go before the grand jury, and he testified for two hours under an agreement limiting the areas of questioning.

The importance of his appearance was unclear, however. He had been quoted last week as saying that he had seen Mr. Clinton and Ms. Lewinsky together alone in the Oval Office on a Saturday afternoon in 1995, but later his attorney said Mr. Fox could not be sure that no one else was present.

Steve Goodin, a White House aide who until recently served as Mr. Clinton's personal assistant, was the next witness to be called before the grand jury.

Mr. McCurry, speaking after the publication of the Tribune interview Tuesday, said: "Only fools answer hypothetical questions." He said he could not disown his statements, but added with chagrin: "I said what I said. I just shouldn't have said it."

Neither Mr. Clinton nor anyone else at the White House has chastised Mr. McCurry for the remarks, the spokes-

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## EU's Dream for the Euro Edges Closer to Reality

### But New Currency Still Seems 'Remote' to Many

By Barry James  
International Herald Tribune

BRUSSELS — In Paris's 12th arrondissement, the planned European single currency, the euro, has finally come down to the consumer level.

The traders in the local street market, many of them North Africans, donned caps bearing the European Union logo on a recent weekend and wrapped products in bags of blue and gold, the European colors. Stores and restaurants have started to display some prices in euros, and school children are taking part in a euro painting competition: first prize, a trip to the house of Jean Monnet, the father of the European Union.

And when the town hall offered a seminar on the euro for local business people, more than 300 signed up.

"The euro has been badly prepared

from the public's point of view," said Erick Orblin, a mayoral aide, who acknowledged that the task of popularizing the new currency was likely to be long and hard.

"It seems too remote," he said. "Ordinary people should not be the last wheel on the wagon. It is time to move this issue away from the theoretical."

The EU's plan for monetary union, in fact, is due to take a big step from theory to reality in about two and a half months. On May 2, heads of government will meet in Brussels to decide which countries will adopt the currency and to appoint a head of the European central bank that is to begin operations July 1.

They also will lock in the rates at which national currencies will be converted to the euro.

A debate is raging in Germany, and to a lesser extent elsewhere, as to whether the euro project should go ahead May 2. More than 150 German economics professors signed an open letter recently urging an "orderly postponement" of the project because structural problems, such as high unemployment, will make it difficult for governments to meet the necessary economic criteria.

Their demand is likely to go unheeded, however, because it is clear that monetary union is as much a political as an economic process. Chancellor Helmut Kohl of Germany, who has staked his reputation on the success of monetary union, told the Bundestag last



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Andorra	10.00 FF	Lebanon	11.300
Arillas	12.50 FF	Morocco	16 Dh
Cameron	1.000 CFA	Qatar	10.00 QR
Egypt	1.000 CFA	Réunion	12.50 FF
France	1.000 CFA	Saudi Arabia	10 SR
Gabon	1.000 CFA	Senegal	1.100 CFA
Italy	2.000 Lire	Spain	225 Ptas
Kenya Coast	1.250 CFA	Tunisia	1.250 Dn
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. M.L. (Eur.)	\$1.20

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SWEET VICTORY — Karyn Bye of the U.S. women's hockey team cheering Tuesday after winning the gold medal over Canada. Page 21.

By Lynne Duke  
Washington Post Service

JOHANNESBURG — Winnie Madikizela-Mandela had this to say to white South African business leaders: The writing is on the wall.

A "second revolution" is sweeping South Africa, she said in a speech at a business breakfast last week. The concerns of the black majority inevitably will become central in the white-dominated economy and workplace, and whites must decide whether they will create change or fight it.

"The truth and reality in South Africa today is no

## AGENDA

### Stocks Enjoy Trans-Atlantic Rally

U.S. stocks rose to record territory Tuesday as traders cheered falling interest rates.

Stocks benefited from a rise in bonds — which lowered their yields — after President Suharto fired the independent-minded governor of Indonesia's central bank and a Federal Reserve Board report suggested that the slowdown in Asia was starting to curb U.S. growth.

The report showed industrial

production fell in January for the first time in 15 months. Traders said that indicated that short-term interest rates would remain low.

Takeover news also propelled some stocks. Page 14.

Wall Street's leap led benchmark indexes in London, Paris, Frankfurt, Zurich, Madrid and Brussels to finish at record highs, which further fed the rise in New York. Page 15.

### Missionaries Held in Sierra Leone

FREETOWN, Sierra Leone (Reuters) — Armed men are holding five European missionaries in northeastern Sierra Leone, where junta forces fleeing peacekeeping troops are reported to be on the rampage, church officials said Tuesday.

The officials reported widespread attacks by marauding soldiers who had fled Freetown, the

capital, where life was returning to normal after Nigerian-led peacekeepers ousted Sierra Leone's military rulers on Friday.

In contrast to the spreading violence in the interior, civil servants in Freetown started returning to work and some businesses reopened for the first time since an army coup in May.

Earlier article, Page 6.

## South African Whites Wary of a 'Second Revolution'

Thus, in microcosm, the battle lines around the policy known as "transformation" are drawn. After months of creeping repolarization of the racial discourse here, a shrill and brittle debate is gaining steam over just how President Nelson Mandela's government will transform a society still defined by racial division and entrenched racial inequality.

Nearly four years after the nation's first all-races election, won by the mostly black ANC, the debate cuts to the core of Mr. Mandela's effort to create what he calls a national consensus on the need for an equitable

longer European or white, but African and more often black," she said. "Unless the African is placed at the center of transformation and the national agenda, our country will not be stable or productive."

No smiles could be found in the room of white faces, for though Mrs. Madikizela-Mandela is often a renegade figure in the ruling African National Congress, her words picked up themes recently sounded by the party's mainstream leaders. But David Gleason, editor of a financial magazine, was pleased. Calling the speech the plainest talk yet on what is meant by "transformation," he quipped: "Frankly, it's a good thing we finally heard it. Now we can really have a fight."

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## EUROPE

## Warning the Cabinet, Yeltsin Demands Sustainable Economic Growth

**MOSCOW** — President Boris Yeltsin put pressure Tuesday on both his government and the lower house of Parliament, which is dominated by the opposition, by demanding sustainable economic growth and a realistically amended budget.

"We are stuck on the middle of a bridge," Mr. Yeltsin said in his annual address to the lower house, the State Duma, and the upper house, the Federation Council.

"The inflationary past is behind us but we have failed to reach the investment future," he said.

Analysts welcomed the speech as a demonstration of fresh resolve to improve the economy.

Mr. Yeltsin also said that if NATO enlarged to embrace the three Baltic states, it would spoil ties between Moscow and the Western alliance.

Mr. Yeltsin said that Prime Minister Viktor Chernomyrdin's reformist cabinet would be fired if it did not deliver on crucial targets in the budget, a workable tax code and growth through investment in industry rather than market speculation.

"This is not the first time that I am setting these tasks," he said. "From one message to another I am speaking about the need for a realistic budget, about ending nonpayments, about industrial policy, about economizing."

"I will no longer repeat this. If the government is not able to solve these strategic tasks, then we will have to have another government," he said, prompting deputies to clap for the only time during his half-hour speech.

By calling for amendments to the 1998 budget to reflect the impact on Russia of the world financial crisis, Mr. Yeltsin applied equal pressure to the Duma just as the head of the International Monetary Fund, Michel Camdessus, was arriving in Moscow to review reforms.

The budget was to face its fourth and final Duma reading on Wednesday but that could be postponed after Mr. Yeltsin's remarks.

Normally a fourth reading is a formality before the Federation Council

considers the budget and the president then approves it. The IMF and Russia's government consider a realistic budget and simplified tax code, which are both awaiting Duma clearance, to be vital for Russia's long march from a planned to a market economy.

The fund is considering paying further installments of a \$9.2 billion loan. It briefly halted credits late last year over concerns that the government was failing to collect taxes.

Mr. Yeltsin said he wanted this IMF loan to be the last.

The 67-year-old president, speaking firmly and at times jabbing the air for emphasis, devoted most of his speech in the Kremlin's Marble Hall to the economy.

"The Russian government will further protect property, secure economic freedom and a market economy, retain low inflation and firm rate for the ruble," he said. "But today that is not enough. We need stable and pro-economic growth, a supported flow of investment."

The government has forecast up to 4 percent growth in 1998, compared

with 0.4 percent last year. But the central bank has lowered expectations, predicting closer to 1 percent.

"I demand the government makes sure the budget for the current year is realistic," Mr. Yeltsin said. A tax code needed to be approved this year to help increase revenues and the cabinet should prepare a program for saving government money by May, he said.

Finance Minister Mikhail Zadornov said that a presidential veto was a possibility if the Duma rejected the budget changes.

Reaction later was patchy. The Russian markets rose but dealers said they wanted to see real growth rather than appeals for it.

The Communist leader, Gennadi Zyuganov, said, "This is the most lackluster and unimpressive address I have ever heard."

Anatoli Chubais, a first deputy prime minister and one of just a handful of cabinet members Mr. Yeltsin pointedly mentioned by name, said the budget changes were logical because of the financial crisis in Asia.



Two Russian first deputy prime ministers, Anatoli Chubais, left, and Boris Nemtsov, entering a Kremlin hall Tuesday for President Boris Yeltsin's speech.

## BRIEFLY

## Havel's Popularity Hits All-Time Low

**PRAGUE** — The popularity of President Vaclav Havel of the Czech Republic has fallen to an all-time low following the political and economic crisis in the country, an opinion poll indicated Tuesday.

The former dissident playwright has slipped to fourth in a league table of politicians, behind Prime Minister Josef Toman.

Sixty percent voted for Mr. Havel, the IVVM survey said, putting him behind two leaders of the opposition Social Democrat Party, Petra Buzkova, and Stanislav Gross, with 70 percent and 65 percent respectively, and Mr. Toman, who was most popular with 74 percent. Mr. Havel, 61, is undergoing treatment in a hospital for the removal of a growth from his throat.

## U.K. Lesbian Loses Battle on Sex-Bias

**LUXEMBOURG** — A British lesbian who charged her employer with sex discrimination for denying benefits to gay couples that were available to heterosexuals lost her battle in the European Court of Justice on Tuesday.

Reversing the opinion issued last September by one of its advocate generals, the court ruled that South West Trains had not violated any European Union laws by refusing to grant a travel pass to the woman's female partner, Lisa Grant, complained that South West Trains granted travel concessions to heterosexual couples in stable relationships, but denied the benefit to gay couples.

## Conviction Upheld Of U.S. Neo-Nazis

**STOCKHOLM** — An appeals court Tuesday upheld the conviction of two American neo-Nazis who had been jailed for violating Sweden's hate laws.

Shawn Sugg of Otter Lake, Michigan, and Eric Dobbs, of San Diego, had been jailed for a month. They were released earlier this month.

## Bosnian Serbs Plead Not Guilty

**THE HAGUE** — Two Bosnian Serbs who surrendered to NATO troops over the weekend pleaded not guilty Tuesday before a United Nations court in the Netherlands to charges of war crimes and crimes against humanity.

Miroslav Tadic, 60, and Milan Simic, 40, are the first Bosnian Serbs to turn themselves over voluntarily to the International Criminal Tribunal for the former Yugoslavia at The Hague (Reuters).

## New U.S. Envoy to NATO Comes Back to a 'Better' Alliance

By Joseph Fitchett  
International Herald Tribune

**PARIS** — NATO changed more radically in the space of three months last year than in its previous 45 years of existence, according to Alexander Vershbow, the new American ambassador to NATO.

This transformation of the alliance, in his view, was a result of the crisis in Bosnia-Herzegovina, where the U.S.-led intervention touched off a much broader political and military remodeling of NATO. "The reality is that NATO is less 'new' than 'better,'" he said, meaning that the long-standing trans-Atlantic alliance has been updated and expanded to preserve NATO as the linchpin of European security.

Ideas for modernizing the alliance had been in the air since the end of the Cold War, he said, but took Bosnia — "the test case from hell," he called it — for the United States, the European allies and Russia to agree on a new lease on life.

Mr. Vershbow is well placed to judge the measure of change. When he left NATO headquarters in 1993 as the No. 2 diplomat in the American mission, Bos-

nia was a mere threatening to swallow Europe's political self-confidence — and the future of trans-Atlantic unity.

Back in Brussels after five years as a foreign-policy maker inside the White House, Mr. Vershbow says he sees Bosnia as a success story, suddenly within reach of a self-sustaining peace.

According to Mr. Vershbow, the allies' agonized decision to intervene militarily to end the Bosnian fighting reminded both the United States and the European allies that they needed each other to preserve stability in Europe and that NATO was the only vehicle for a combined effort.

That renewed commitment to NATO left no other important organization as the basic source of security on the Continent. As a result, Russia and Central European nations found ways to associate themselves with NATO, reversing predictions that the alliance could divide post-Cold War Europe.

Bosnia put its stamp on internal changes in NATO as well, proving that it could function as a multinational force deployed outside alliance territory. The United States has retained an unchanged leadership role thanks to its monopoly on the military sinews

needed for a major operation.

At the same time, the task-force formula now accommodates the European allies' desire for a stronger supporting role — today still largely political, but someday possibly amounting to a more independent military capability.

Mr. Vershbow's upbeat picture of NATO's condition reflects the view from the top of the Clinton administration, in which Mr. Vershbow, 46, was an insider on security policy.

Soft-spoken and informal in a way that makes him "Sandy" to colleagues, he rose fast on the Clinton team to become part of "the Bosnia team," a half-dozen top officials working on the crisis there.

The team learned to apply U.S. power as a big stick in Bosnia and as diplomatic leverage to get allies on board for changes in NATO, and Mr. Vershbow brings that experience to NATO, according to other American officials.

His views seem to accommodate both the special U.S. ties with Europe and acceptance of the idea that the United States has global responsibilities in some situations — like the crisis with Iraq — where most allies can provide little significant help.

In Europe itself, Mr. Vershbow says

he wants NATO to take time to digest its promising changes. He rebuffed suggestions — widespread nowadays in policy and research institutes in Washington — that NATO should seek further changes in the form of a grand trans-Atlantic bargain, usually presented as expanded U.S. troop presence in Europe in exchange for European backing for greater NATO involvement in global crises remote from Europe.

Instead, his concerns focus on the need for European allies to make more of NATO's offer of a stronger role for European members and an opportunity for them to develop their own military and strategic weight.

At the heart of this change was a proposal for Washington to promise to help Europe's own defense organization, the Western European Union, by lending U.S. help if the Europeans wanted to undertake missions on their own.

Getting agreement on it at the NATO summit meeting in Berlin in 1995 was "the hardest thing I ever saw in the council, the only time we were actually screaming at each other," another NATO ambassador said.

Subsequently, little tangible has happened, apparently because Britain,

France and Germany are loath to take the political and financial risks of assuming a role of their own.

This reluctance surfaced last year when the Europeans weighed and rejected suggestions of a collective intervention in Albania. The unrest there was a manageable problem, as was quickly shown when an Italian-commanded force including French and Greek troops landed and easily restored order.

"It was a lost opportunity" for European governments to start institutionalizing their commitment to closer defense cooperation, Mr. Vershbow said.

European ambassadors at NATO declined to comment publicly, but most acknowledge privately that they were chagrined by their own governments' reluctance to accept the challenge of putting European prestige on the line with a high-profile collective operation.

Even though European leaders sidestepped the occasion to create their own multinational task force — in NATO or outside the alliance using American help — the existence of a European option, even on paper, is an open-ended feature that helped rejuvenate the alliance, Mr. Vershbow said.

## Belgian Inquiry Faults Police in Pedophile Case

Agence France-Presse

**BRUSSELS** — Incompetence, amateurism and negligence all contributed to the Belgian authorities' failure to prevent the abduction, abuse and murder of at least four children, a parliamentary inquiry has concluded.

But the report, released Tuesday though parts of it became public earlier, rejects the widely held belief that Marc Dutroux, the convicted pedophile at the center of the scandal, escaped arrest because he enjoyed the protection of highly placed officials in the police, the judiciary or the political system.

Rather than being the linchpin of a network of pedophiles, Mr. Dutroux is depicted in the report as a predator who had few accomplices and thrived simply because of the failure of the police and magistrates to do their jobs properly.

Mr. Dutroux is awaiting trial for the murder of four girls found dead at his house in 1996. Two of them, eight-year-old Julie Lejeune and Melissa Russo, starved to death after being left for months in a dungeon.

Mr. Dutroux is also charged with the abduction and abuse of two other girls who were found alive at his home and with the murder of a suspected accomplice, Bernard Weinstein.

Although the police repeatedly visited Mr. Dutroux's main residence during inquiries into missing children, they never conducted a thorough search of the property that may have saved Julie and Melissa.

Convicted in 1989 of raping a minor, Mr. Dutroux was released in 1992 after



Paul Marchal, father of a victim, criticized the report as too weak.

## Sinn Fein to Challenge Peace Talks Ban

**DUBLIN** — The Irish Republican Army's political arm began seeking a legal injunction Tuesday to block a move to expel it from Northern Irish peace talks.

"We are now seeking a legal intervention as a means of redressing this situation," said the chairman of the Sinn Fein party, Michael McLaughlin.

The party was looking for a judge to rule on whether the British and Irish governments would have the right to ban it from the negotiations. Britain began an effort to eject Sinn Fein on Monday, saying IRA guerrillas were responsible for two murders in Northern Ireland last week.

"If we are ejected in these circumstances, I think opinion within our electorate will be against us coming back to a process that is seen to be fraudulent,"

Mr. McLaughlin said.

Sinn Fein had called an adjournment to the talks to seek legal advice.

"There is no basis for Sinn Fein's exclusion," said Martin McGuinness, the party's chief negotiator. "We have a right to be in those talks and we will resolutely defend that right."

"We are examining legal advice on a range of matters and we are strongly advised that there are legal grounds to challenge the British indictment," he said.

Eight Unionist and Republican parties from the British province were meeting in the Irish capital to try to resolve the dispute over Sinn Fein's continued participation, which has dogged the peace process for more than a week.

The negotiations are part of a three-year drive to end years of tension over

British rule of Northern Ireland.

Before the adjournment, Foreign Minister David Andrews of Ireland conceded the talks were facing "a difficult time."

He said Britain and Ireland would listen to the views of the eight Protestant and Catholic parties from Northern Ireland before making a decision about Sinn Fein's participation.

Mo Mowlam, Britain's Northern Ireland secretary, rejected Sinn Fein charges that Britain was treating it unjustly. "This is not a legal situation, it is a political process," Ms. Mowlam said.

"This is not a kangaroo court."

Under the rules of the talks, no party can take part if it has a guerrilla wing actively engaged in violence.

The IRA says it is still observing a truce it called last July. Sinn Fein says it is a legal party with a democratic mandate and is not involved in violence.

## Freemasons in U.K. Told to Lift Veil of Secrecy

**LONDON** — British Freemasons were in shock Tuesday after the government demanded that all new recruits to the police and judiciary declare publicly their membership in the society — whose very existence is based on secrecy.

A government has never taken such a radical measure in the history of Freemasonry, some experts said.

There are an estimated one million Freemasons in Britain.

Home Secretary Jack Straw said the new rules will apply to the police, the probation and prison services, and magistrates, judges and crown prosecutors.

Their names will be put on a register and made public.

Following the rules will be voluntary at first, but the government will consider legislation, if necessary.

Mr. Straw said "membership of secret societies such as Freemasonry can raise suspicions of a lack of impartiality or objectivity. It is therefore important that the public know the facts."

The onus for registering existing members of these professions will rest within Freemasonry itself.

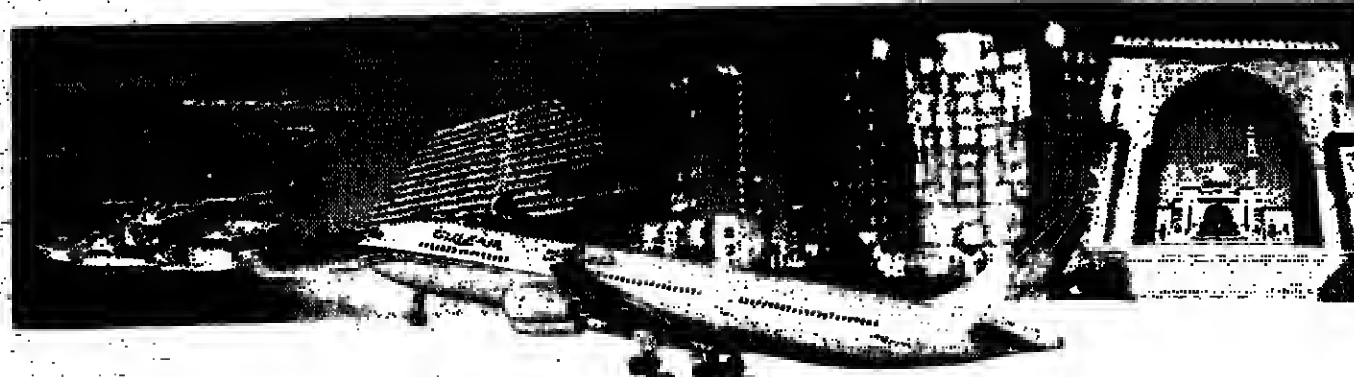
Mr. Straw reportedly triumphed over Lord Irvine, the lord chancellor who is head of the country's judiciary and a

close friend of Prime Minister Tony Blair. Mr. Straw said he would ask the United Grand Lodge of Freemasonry to cooperate with the new rules. A Grand Lodge spokesman said it would make no response till Thursday.

Almost a year ago, the Commons Home Affairs Select Committee recommended that the police, magistrates, judges and crown prosecutors be required to register membership.

Freemasons have often been the target of public speculation because of the secrecy surrounding the organization and reports of bizarre initiation ceremonies. Its Grand Master is the Duke of Kent, cousin of Queen Elizabeth.

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## INTERNATIONAL

African Force  
Masses Near  
Freetown to  
Mop Up Rebels

**The Associated Press**  
FREETOWN, Sierra Leone — Nigerian forces fighting under the banner of a West African intervention force were massing near the capital of Sierra Leone on Tuesday to confront rebel forces from the country's ousted military junta.

"We will continue to expand outside Freetown to try to see where the junta has moved to in the hinterlands," General Timothy Sheldip of Nigeria said in an interview. "Where they refuse to hand over their weapons, we will ensure that they do so by force."

The Nigerian troops launched an offensive last week to drive Lieutenant Colonel Johnny Paul Koroma's military junta from power, clearing the way for the return of President Ahmed Tejan Kabbah.

Colonel Koroma staged a bloody coup that forced Mr. Kabbah out in May.

The Nigerian-led intervention force, known as Ecomog, took control of the capital, Freetown, over the weekend and has been working to restore civil order in the battered city.

"The next step for Ecomog is to ensure that relief materials come to the country," General Sheldip said. "We have all seen life returning to normal in Freetown."

The occupying troops have orders to



A boy in a soldier's helmet Tuesday helping out at a Freetown checkpoint run by the Nigerian-led forces. Residents have welcomed the troops.

shoot looters and vigilante gangs on sight. Radio broadcasts, meanwhile, continue to urge civil servants to return to their jobs to help the city restore normal functions.

The International Committee of the Red Cross has appealed for restraint in the city to ward off revenge attacks against former members of Colonel Koroma's junta.

Shortly after the intervention force took over the city, angry mobs attacked and killed a number of junta soldiers. City inhabitants have welcomed the Nigerian troops, cheering and celebrating the end

of Mr. Koroma's harsh military regime. Outside Freetown, remnants of the junta continued to put up some resistance. Some roads into the city remained closed.

The whereabouts of four foreign missionary doctors and a chemist abducted by those forces remained uncertain. Three Spaniards, an Austrian and an Italian were abducted by fleeing junta gunmen over the weekend.

The Spanish Foreign Ministry in Madrid said it believed that the Spaniards were kidnapped because they were doctors and the soldiers were in need of medical assistance.

## SOUTH AFRICA: 'Second Revolution'

Continued from Page 1

society after centuries of domination by South Africa's white minority.

Now, as promised, the agenda for change is moving from the constitutional and structural to the economic. The government has introduced a package of affirmative-action legislation that has brought howls of opposition from white political parties and allegations from the South African Institute of Race Relations "that the ruling party is possessed of powerful urges for racial and social engineering."

White leaders from across the political spectrum have made it increasingly clear that they plan to fight tooth and nail to stop efforts they deem to be too drastic, too rapid, a threat to whites' livelihoods or a threat to the country's economic stability.

Cyril Madlala, a black commentator with the South African Sunday Times newspaper, etched the polarization succinctly. "Those privileged under apartheid say the pace is too fast," he wrote this month. "Those who were disadvantaged are losing patience with the slow pace of change."

"We need consensus on this, for I fear patience is not an unlimited commodity. Particularly after a 300-year wait."

Steven Friedman, director of the Center for Policy Studies, said whites by and large still had an aversion to the black government.

"The core dynamic here is the widely held belief by most white people that black people cannot run a country," Mr. Friedman said. He added that the black government's often defensive posture in the face of white criticism "then leads to responses which in some cases make the problem worse." To avoid giving

ground to white criticism, for instance, the government has shown a propensity to form a united front when some within its ranks are accused of mismanagement or corruption, Mr. Friedman said.

Mr. Mandela's government inherited a tangle of disparity that even his former wife, Mrs. Madikizela-Mandela, acknowledged would take decades to unravel. This is a nation in which whites, who are 13 percent of the population, still control the management, capital and direction of the economy. Whites still enjoy benefits and comforts that linger from the days of white-minority rule and the apartheid system of racial separation.

The 1994 all-races election elevated the black majority to political power and set in motion the creation of a small black elite of public servants, private-sector managers and capitalists. But the vast majority of blacks remain economically marginal, still relegated to the worst positions in a society that straddles the Third World and the First.

For instance, while blacks' entry onto the Johannesburg Stock Exchange has been dramatic in recent years, white-owned companies still control 90 percent of the market capitalization. Average black household income is barely one-fourth that of whites, according to a 1997 report by the nation's Central Statistical Service. And joblessness is estimated at about 34 percent and rising, with blacks making up the vast majority of those without formal jobs.

Last year, Deputy President Thabo Mbeki warned that the inequality could lead to racial uprisings if the quality of life of blacks was not sufficiently improved.

These inequalities also could lead to a drop in support for the ANC, which promised more than it has delivered since the election, some commentators say.

## BRIEFLY

Jordan's Cabinet  
Gets a Reshuffle

**AMMAN, Jordan** — Prime Minister Abdul-Salam Majali shuffled his cabinet Tuesday, bringing an Islamic fundamentalist politician into Jordan's government for the first time in seven years.

He brought six new ministers into the 24-member cabinet, mostly seasoned politicians who had held portfolios in earlier governments.

The unexpected newcomer was Bassam Amoush, a former member of the opposition Islamic Action Front, named to the newly created ministry of administrative development. Deputy Prime Minister Jawad Anani took over the Foreign Ministry. (AP)

Report Condemns  
Senegal Violence

**ABIDJAN, Ivory Coast** — Residents in Senegal's violence-wracked Casamance region are victims of worsening human rights abuses, exposed to mutilating torture and random killings, Amnesty International contended Tuesday.

Caught between government soldiers and separatist rebels, Casamance inhabitants face harsh treatment on both sides of the conflict, the London-based human rights group said in a new report.

Casamance, in southern Senegal, has been subject to violence between army troops and the Democratic Forces of Casamance Movement, who hope to establish an independent state. (AP)

Argentine Chief  
Denies Plan to Run

**BUENOS AIRES** — President Carlos Saul Menem says he has no plans to run for office again in 1999 despite comments over the weekend that suggested otherwise.

Mr. Menem, whose standing in popularity polls has hit rock-bottom, said Saturday that he might run in 1999 if the law was changed by popular will.

But in an open letter Monday entitled "Speculation as a beginning, lies as an end," Mr. Menem said he knew of no political or judicial initiatives to get him re-elected and that he had no plans to run. He attributed talk of running again to an "irresponsible tendency to interpret whimsically what I say, to attribute to me intentions I haven't expressed and attitudes that don't pertain to me." (Reuters)

## EURO: In Less Than 3 Months, EU's Project for Monetary Union Will Take a Huge Step From Theory to Reality

Continued from Page 1

summer. "Whoever wants to delay the introduction of the euro must know that this could be a delay forever."

Assuming there are no hitches, therefore, individuals and businesses will be able to start using the euro for check, credit-card and financial transactions next Jan. 1. On that day, the national currencies of the countries involved will effectively cease to exist and will become units of the euro.

At that time also, powerful institutions such as the Bundesbank and the Bank of France will become subsidiaries of the European central bank, which will have the last word on monetary policies such as the fixing of exchange rates with the outside world.

Existing currencies, however, will continue to circulate for three years after that point while governments produce 12 billion banknotes and more than 300,000 tons of coins. Printing, minting, stockpiling and transporting that money will be the biggest operation of its kind in history. Major companies such as Siemens AG of

Germany and Daimler Benz AG have announced that they will switch to the new currency from Day 1, trading seamlessly across the world's largest market and eliminating transaction costs.

A spokesman for the European Commission, the EU's executive body, said pressure from companies was forcing governments to speed their plans to adopt the euro for taxation and official accounting purposes, although they are not required to do so until the introduction of the physical currency in 2002. Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain have already said they will allow use of the euro in place of the national currency as of Jan. 1.

By adopting the euro, countries will be pooling part of their sovereignty. No longer will they be able to juggle exchange rates to gain a competitive advantage. Take the Spanish hotel industry, which has been a relatively low-price destination for tourists from northern Europe. It will not be able to count on a price advantage based on a favorable

exchange rate and could lose out to lower-cost destinations a short distance outside the euro zone such as Turkey, Tunisia or Morocco.

Because the European central bank will set a single interest rate for the region, banks and financial-service providers will face unprecedented competition on a level playing field. If a customer in France decides he can get a cheaper loan from a Finnish bank that has decided to offer lower rates in hope that business volume will make up for a thinner profit margin, there will be nothing to stop him or her.

With no control over monetary policy, governments will have only limited means to deal with mass unemployment or large welfare needs. They will not be able to spend their way out of difficulties, because under a commonly agreed stability pact they will face fines of as much as 0.5 percent of their gross domestic product if they consistently run budget deficits exceeding 3 percent of GDP. The only way they will be able to compete will be to become more efficient and productive.

Others warn that the EU is locking itself into a strait-jacket. Eddie George, the governor of the Bank of England, describes it as a "beauty and the beast" situation. "Beauty is the certainty of exchange rates," he said. "The beast is the single, 'one size fits all' interest rate."

But the European central bank is committed by treaty to maintaining monetary stability. This was the price exacted by Germany, haunted by its memory of prewar runaway inflation and reluctant to give up the mighty Deutsche mark for a "softer" currency.

France, on the other hand, demanded and obtained creation of a euro council that will give governments some say in how the euro zone is run, although with no right to interfere with the independence of the European central bank.

At the end of March, the European Commission will issue a report saying which countries have met the criteria to join the single currency, which include a deficit of less than 3 percent of GDP and a public debt of no more than 60 percent

of GDP. In fact, only Britain, Finland, France and Luxembourg meet the debt criterion, and the judgment will be based on whether the trend in the other countries is headed down toward the 60 percent mark.

The euro's status in the world will depend on whether it is strong or weak. A strong currency will absorb investment and push the dollar down, some analysts say. If the euro is weak, investments will flow out and drive the dollar up.

**Nobelists Warn on Policy Divide**

Franco Modigliani, a Nobel Prize winner for economics and emeritus professor at the Massachusetts Institute of Technology, said Tuesday that European economic and monetary union might not be sustainable because of incompatible policy aims, Reuters reported from London.

Mr. Modigliani said European governments should work together to reduce the region's high unemployment rates. He said raising investment and demand was essential if this was to be achieved.

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## BRIEFLY

## Jordan's Cabinet Gets a Reshuffle

AMMAN, Jordan — Prime Minister Abdul-Salam Majali reshuffled his cabinet Tuesday, bringing into Jordan's government for the first time in seven years.

He brought six new ministers to the 34-member cabinet, most of them seasoned politicians who had been in earlier governments.

The unexpected reshuffle came after Bassam Amoush, a former minister of the opposition Islamic Front, named to the newly created ministry of administrative development. Deputy Prime Minister Amman took over the Foreign Ministry.

## Report Condemns Senegal Violence

ABIDJAN, Ivory Coast — A report from Senegal's violence-ravaged Casamance region says that abuses, exposed to mutilation, torture and random killings, have internationalized the conflict.

Caught between government soldiers and separatist rebels, Casamance inhabitants face harsh treatment on both sides of the conflict. The London-based human rights group said in a new report.

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## Argentine Chief Denies Plan to Run

BUENOS AIRES — President Carlos Menem says he has no plans to run for office again in the 1998 election.

Menem, who has been in office since 1995, has been a popular figure in the country. He has been a popular figure in the country. He has been a popular figure in the country.

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# Herald Tribune

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## History vs. Myths

Revolutions do not always change a country's future, but they certainly alter its past. The wave of recent political change has brought with it a sure by-product of upheaval, the new history textbook. Textbooks in the new democracies are vast improvements over the propaganda volumes that preceded them. But they are more honest because they reflect a new, more honest orthodoxy. Even so, many are uninterested in puncturing inaccurate but cherished national myths.

South Africa's old 10th-grade history textbook explained that blacks were the workers and whites the bosses because of the white man's "higher level of civilization and his Christian religion." A widely used new textbook, "In Search of History," explains the apartheid laws and their origins.

In Russia, dozens of new publishing houses are churning out textbooks with more or less accurate accounts of Soviet communism. But in both countries, many schools cannot afford the new books, and still use apartheid- or Soviet-era textbooks. The figure would be even higher in Russia without a project by George Soros's Open Society Institute to subsidize the publication of new history texts.

At first, many teachers in former Communist countries replaced praise of communism with blind acceptance of capitalism. This is giving way to texts that encourage critical thinking instead of the rote learning so popular in authoritarian nations. Many texts in former Communist countries and South Africa offer varying interpretations of events as well as quizzes to ask students what they think.

But some new textbooks see their

mission as building patriotism and love for national culture over teaching the truth. Russia's textbooks continue to distort the Soviet Union's participation in World War II, a sacred touchstone in a country more than 20 million of whose people died in that war. New books continue to play down Allied contributions, and, for example, give the Soviet Union undeserved credit for winning the war in the Pacific.

Another country where textbooks have changed is France. After years of ignoring France's collaboration with the Nazi occupiers, French textbooks began to deal more honestly with World War II in the mid-1970s, spurred by scholarly histories, the spread of new historical methods and the rise of a less tainted and more curious generation. The climate that created and was influenced by the new textbooks helped clear the way for recent apologies and acknowledgments of collaboration from the Catholic Church and President Jacques Chirac.

Japan's experience shows how textbooks often misrepresent less than glorious episodes. In the early 1960s, Saburo Ienaga wrote a high school textbook that discussed some of Japan's wartime atrocities. It was censored, and he died in 1965. He did not win his case until last year, but Japan's supreme court also ruled that the Education Ministry could keep censoring textbooks in an "appropriate" manner. The nation's textbooks still permit only veiled or vague references to Japanese crimes during World War II.

Even by distorting history, it seems, textbooks give a true picture of the society that writes them.

—THE NEW YORK TIMES.

## Surviving in Georgia

No one could begrudge Eduard Shevardnadze, 70, a peaceful retirement. As foreign minister in the dying years of the Soviet Union, he helped end the Cold War and allow the nations of Central and Eastern Europe to regain their freedom with a minimum of bloodshed. Certainly, like his old boss Mikhail Gorbachev, Mr. Shevardnadze could now be writing books, spending time with family, delivering lectures and even appearing in Pizza Hut commercials. But he has chosen a different path — one that nearly cost him his life last week.

The former Soviet diplomat returned to his Caucasus homeland of Georgia in 1992. That onetime Soviet republic had become, in 1991, an independent nation on the Black Sea with a population of about 5.5 million, but independence had brought no happiness. "It was in the midst of civil war and complete chaos," Mr. Shevardnadze recently — and accurately — recalled in an interview with Washington Post columnist Lally Weymouth. "There was no state as such."

He proceeded, painfully and against great opposition, to bring order. He disarmed the militias, the thugs and the gangsters who had taken over the country. He oversaw the introduction of a democratic constitution and, in the fall of 1995, he won an honest election for president with 75 percent of the vote. He instituted economic reforms that reversed Georgia's descent into total poverty and at least pointed the way toward recovery. "We are not prospering now, but we are a state, a democratic state — and that is important," he said.

Along the way, both as foreign minister and now as president, Mr. Shevardnadze accumulated more than his share of enemies. In August 1995 he somehow survived an assassination attempt when a bomb blew up beneath his car. On Feb. 9, riding in an armored Mercedes-Benz limousine that the German government donated after that last attack, the Georgian president was targeted again.

Assailants fired on his motorcade with automatic weapons and anti-tank grenade launchers. Two of his bodyguards died, and four others were wounded, but Mr. Shevardnadze escaped unhurt.

Georgia is in a part of the world where instability and ethnic conflict remain the norm. It is also a region that attracts great interest because of its large oil and gas deposits. Georgia itself is not blessed with substantial underground wealth, but it is a player in a huge struggle over the route that new pipelines will take to bring Caspian Sea oil to market. Mr. Shevardnadze suggested that pipeline politics may have played a role in this latest assassination attempt.

It is too soon to form final judgments on such speculation; other theories, including the involvement of radical and disgruntled Chechen rebels, have been put forward.

It is not too soon, however, to take note of Mr. Shevardnadze's courage. "I will serve my country however I can until the end," he said after the latest attack. We hope that this will mean the end of his term, to be followed by a peaceful retirement.

—THE WASHINGTON POST.

## America's Income Gap

The income gap between black and white families in America closed slightly from 1993 to 1996, according to the White House Council of Economic Advisors. But the gap remains huge and may have only temporarily receded.

Indeed, black and Hispanic families are further behind white today than they were 20 years ago. The yawning gaps between rich and poor and between blacks and whites are not going away any time soon.

The typical white family earned about \$47,000 in 1996, almost twice the figure for blacks. Worse, the typical black household had a net worth of only about \$4,500, a tenth of the white figure. A New York Times analysis of government data shows that American households have loaded up on stocks, doubling the equity share of their savings since 1990, as stock prices soared. But blacks have taken

virtually no part in the recent doubling of stock prices. About 95 percent of black families have no investment in stock or pension funds.

Poverty among black children fell last year to its lowest level in decades, but at 40 percent the level remains horribly high. Unemployment among black men fell last year to 8.6 percent, the lowest in 23 years, but this was nevertheless twice the jobless rate of white men.

Since 1972, black family incomes have risen less than 10 percent, at a time when white family incomes have risen almost 15 percent. Such inequality is more a problem of poor education, weak skills and the rise in single-parent families than of race. The plight of low-skilled workers has been decades in the making and will not be turned around by the temporary flush of economic recovery.

—THE NEW YORK TIMES.

## A Dictator and His Weapons of Mass Destruction

By Charles N. Davis

WASHINGTON — The Clinton administration is signaling that it is preparing a sustained air attack to deny Iraq the capacity to again use weapons of mass destruction. I believe that the negative consequences far outweigh any possibility of success.

There is no assurance that such an attack would destroy Iraq's capabilities to produce weapons of mass destruction in the future. This makes it likely that the United States would have to carry out subsequent raids to again try to destroy them, or that it would have to invade the country. Moreover, an air attack alone would not persuade Iraq to give up its arsenal.

In my career in the U.S. intelligence community, I learned that weapons of mass destruction give the countries that hold them a belief that they have a safeguard against being overrun.

Saddam Hussein's perception in the Gulf War appears to have been that the Western coalition broke off its advance toward Baghdad because of concern that if it had not done so, Iraq would have used its weapons of mass destruction. If that reading of Saddam is

accurate, he will not give up his deterrent against future invasion. No air attack will persuade him to do so.

But deterrence works both ways. Saddam previously used chemical weapons against Iran and against the Kurds because neither could retaliate with similar weapons. The United States made clear in the Gulf War, however, that if Iraq employed weapons of mass destruction, it would retaliate.

What would impel Saddam's regime to use these weapons? If it were attacked first by weapons of mass destruction (and survived). Or if Iraq were about to be overrun by a ground invasion. Or if an air attack caused such fallout from contamination that the government could not survive.

If his regime were about to fall, Saddam would have little inhibition about using these weapons to destroy his neighbors.

The negative consequences from a U.S. attack also could be disastrous for neighboring countries. Suppose bomb-

ing destroyed chemical or biological facilities. What guarantee do U.S. military forces and their allies in the region have that the fallout from that destruction would not adversely affect them on a much larger scale than did the destruction of the chemical weapons bunker in southern Iraq in the Gulf War?

Short of such catastrophes, an air attack would undermine the U.S. position in the Gulf region. Saddam may well be counting on new U.S. bombing to strengthen him at home, divide the coalition and cause America's Arab allies to end U.S. access to military basing facilities.

And after an air attack that fails to remove him but punishes the Iraqi people, is it likely that the United Nations will vote to keep any residual inspection capability, or that it will continue to enforce economic sanctions?

A different strategy is needed, one which recognizes that Iraq cannot be stopped from developing some weapons of mass destruction but which inhibits their development, without endangering America's other interests. I suggest two components for such a strategy.

The UN Security Council should shut down Iraq's lucrative contraband coastal oil trade. This trade reportedly provides a hefty share of Baghdad's revenues. Its reduction would diminish the foreign currency under Saddam's control and further limit his ability to develop new weapons.

At the same time, the Security Council should increase the amount of oil that Iraq can sell under the current sanctions. That would make more food and medicine available to the Iraqi population, it would preserve the U.S. position in the Middle East, and it would stop the perception that U.S. diplomacy punishes Arab populations indiscriminately.

If Saddam did not agree, the sanctions would stay and the U.S.-led coalition would remain intact.

Such a strategy would reduce the misery of the Iraqi people. It also has a much greater assurance of success.

The writer, a former analyst with the U.S. Defense Intelligence Agency, has served on the staff of the National Intelligence Council. He contributed this comment to *The Washington Post*.

## Iraq Is Bad, but the Biggest Proliferation Threat Is Russian

By Thomas L. Friedman

WASHINGTON — With a U.S. bombing of Iraq now increasingly likely, the question being raised by those uneasy with such a strike is: What is the endgame? Is America just throwing its weight around?

The answer is really very simple. It comes down to two words: weapons proliferation. If Iraq, already a repeat user of poison gas, is able to snuff its nose at the UN weapons inspectors, then the world's ability to fight the proliferation of weapons of mass destruction elsewhere would be fundamentally compromised.

Libya and its friends would all be less afraid to develop germ weapons and nukes. We would all end up in a much more dangerous world. That is why Saddam has to be stopped.

It is precisely because stemming weapons proliferation should be the centerpiece of U.S. foreign policy that the policy of NATO expansion is so stupid.

The United States should be

doing everything it can to work with Russia, not only on Iraq but to shrink Russia's own nuclear arsenal, which is the greatest proliferation threat in the world today.

Attention shoppers: Russia has thousands of weapons of mass destruction. It has hundreds of unemployed or underemployed nuclear scientists. And it has only the loosest controls over its nukes and nuclear materials, and it has a signed nuclear arms reduction treaty with the United States that has not been implemented.

But instead of dealing with this problem, the Clintonites are making it worse. They are expanding NATO to counter a threat that does not exist — a Russian invasion of Europe — and thus undermining America's ability to work with Russia on the threat that does exist — Russia's loose nukes.

Halting the proliferation of nuclear materials, missiles and technology is clearly our

No. 1 foreign policy challenge since the breakup of the Soviet Empire," says former Senator Sam Nunn, who was the expert in the Senate on this issue.

"But because it is No. 1, we should be measuring all other policies by how they affect proliferation. Not only does NATO expansion not help us deal with Russia on this issue, it is counterproductive."

The Clinton team has never had an integrated foreign policy. It treats Iraq and NATO expansion as if they were totally disconnected.

One day Secretary of State Madeleine Albright gives a speech telling Russia that NATO is moving right up to the Baltic-Russian border. The next day she complains that Russia is not being helpful on Iraq. Gosh, I wonder why not.

Thanks to NATO expansion, we have convinced the Russian political elite that they are not our partner and that their security is not as impor-

tant to us as the security of the Czechs," says Jack Matlock, who was Ronald Reagan's ambassador in Moscow.

America is already paying a price for this. NATO expansion has prompted Russia's Parliament to stall its ratification of the START-2 nuclear arms reduction treaty, which would shrink Russian and U.S. nuclear arsenals from around 7,000 apiece to 3,500 apiece. That is 3,500 fewer Russian nukes pointed at America. But the deal has been frozen by NATO expansion.

If the Clinton team loses the START-2 treaty in order to add the Czechs to NATO, this will go down as one of the greatest blunders in the history of U.S. foreign policy — Madeleine's folly.

As Mr. Matlock notes, the more NATO is expanded, "the less willing Russia's Ministry of Atomic Energy is to work with us on cooperative measures" to keep its atomic scientists constructively employed (so they don't end up in Iraq and Iran) and the less willing Russia's military is to let Americans in to help it better control and destroy its nuclear materials.

Moreover, if Mrs. Albright is serious about extending NATO to the Baltic states, the only way NATO can possibly defend them is with nukes.

Baltic membership in NATO will, therefore, only encourage Russia to continue altering its defense doctrine — moving to a greater reliance on nuclear weapons for defense, on more of a hair trigger, because the closer NATO gets to Russia's border the less warning time Moscow will have.

But don't worry, sleep well. Latvia will be in NATO.

The Clintonites are rightly ready to go to war with Iraq to halt the spread of weapons in the Middle East. But their expansion of NATO will only increase the threat of proliferation in Russia — where there are a lot more weapons, under a lot less control, and all pointed at America.

The New York Times.

## The Problems of Indonesia Should Worry Everyone

By Philip Bowling

HONG KONG — If Iraq is a flash point, Indonesia is a deep-seated, slow-burning fire, and its smoke is likely to blanket its neighbors.

The problems of Indonesia are of a different order from those elsewhere in the region. This is not just another part of the Asian economic crisis. It is not just an issue of how far the stock market will fall or how much money foolish Western bankers will lose.

How things develop in the next few weeks in Indonesia may prove as fundamental to

developments in Southeast Asia, and beyond, as the fall of Saigon, the death of Mao, the 1965 emasculation of President Sukarno's power or the 1969 ethnic riots in Malaysia.

The Mao and Sukarno eras were both followed by dramatic policy changes that met with the approval of most neighbors and the West. In Indonesia, the new order was to be the beginning of 30 years of remarkable progress for the nation and the region.

Can the Suharto era end with-

out a policy U-turn that would create tensions with the immediate neighbors, sour relations with the United States, Japan and China, and change assumptions about Indonesia's commitment to an open economic system, a secular society and a plural social structure?

Can it end without a trauma at least as great as Malaysia's in 1969, or without the shift from economic growth toward ethnic income equalization to which Malaysia's riots gave rise?

Despite ethnic, religious and regional divisions, Indonesia remains a spectacularly diverse and in most respects very tolerant society. To ask the hard questions is not to spread discord but to make the outside world better aware of the need to do what little it can to encourage real change at the top as the best way of supporting moderate changes in policy.

Problems which could easily arise if deterioration continues:

• Further exodus of Indonesian Chinese people as well as capital, generating more domestic hostility to the minority and bringing to the surface latent hostility to a predominantly Chinese neighbor, Singapore.

• Strains for Malaysia, which could face boatloads of illegal migrants to add to the many already in the country, and whose own delicate ethnic balance could be disturbed by nearby tensions.

• Detachment of a newly nationalist, isolationist Indonesia from its de facto close alliances with the United States and Japan, and tensions over strategically important straits.

• China, whose territorial claims are already a source of friction, could raise ethnic tensions in the region by speaking out for its brethren in Indonesia.

• A bankrupt Indonesia, bereft of foreign and local Chinese capital, could reject the market economy and return to inward-looking state capitalism.

• There could be a shift away from emphasis on national unity to a policy based on religious identity, raising communal tensions, complicating neighboring relations and perhaps threatening territorial unity.

These threats are not going to materialize at once. But if they do, not need all of them to turn ASEAN into a dead letter, further disrupt regional economic progress and create strains for outside powers. A few riots do not make for revolution in a country this size, but there are disturbing signs that a highly centralized government is losing control of events, while appearing ever more stubborn.

For the first time on a major economic issue, President Suharto has ignored his technocrats (and even fired his central bank governor) in pursuit of an instant cure for financial ills — a dollar peg. While he may reasonably claim that IMF prescriptions have failed, the peg concept applied in Indonesia has the credibility of faith healing.

The army, on whose unity and good sense many hopes rest, is not visibly divided. But the high profile of young, ambitious son-in-law, Prabowo Subianto, recently appointed to head the special forces, is unlikely to have been welcomed by all his fellow officers.

The elevation of Research Minister B.J. Habibie, who has semi-familial ties to Mr. Suharto, also suggests a circling of the wagons by a diminishing but desperate band of loyalists.

Muslim-based opposition to the regime is growing by the day and has now overtaken Megawati Sukarnoputri as a rallying point. The most liberal-minded and accommodating Muslim leader, Abdurrahman Wahid, who many had hoped would be a key figure in transition, lies stricken by a stroke.

At street level, the economic situation can only deteriorate as currency collapse, factory closures and drought combine.

Can the outside world help? The United States and Japan have concentrated on the economic issues, to the exclusion of the underlying political factors. ASEAN neighbors writing their bands but keep public silence

out of respect for doctrines of mutual noninterference.

Mr. Suharto continues to stick within the letter of the constitution. But ethnic Chinese regional capital, so recently displaying a triumphalism that invited retribution, is now trying to cut and run.

The situation is dire enough that Japan, ASEAN friends and the United States should get together to try to persuade Mr. Suharto that political change is a sine qua non of recovery. If he will not listen to private urgings, they should make it public.

In addition, large write-downs of foreign debts are essential to any recovery. Many loans must have involved corruption on the part of lenders as well as borrowers. Those who assumed that doing deals with the family was an easy way to make a buck should get their desserts.

And there is justification now for some more overt policies to promote indigenous business, as Malaysia did after 1969. The policies there were not popular with the Chinese, or with foreigners, but they did help restore social stability, and nurtured a capitalist spirit among Malays.

Indonesia is a confessional state, but majority Muslim identification could be increased without treading on the rights of others.

Indonesia has not only come face to face with the end of the Suharto era. It is also confronting a modernity that has suddenly turned sour.

International Herald Tribune.

## Global Aging Crisis

By Paul Hewitt and Bradley Belt

WASHINGTON — It has been clear for two decades that the pension and health care policies of every major industrial nation will come under growing strain early in the 21st century, as falling birthrates and longer life spans combine to drastically increase the cost of public benefits.

And the globalization of trade and investment means that any single country's economic distress can produce instability far beyond its borders.

Projections by the U.S. Congressional Budget Office reveal the enormous potential costs of economic mismanagement of tax and spending policies. States in 1997 dollars, projected annual revenue shortfalls under just three programs: Social Security, Medicare and Medicaid — will surpass \$600 billion in 2020, and \$1 trillion in 2030.

The crises in Europe and Japan are even more acute than America's. Compared with the United States their populations are graying more rapidly, their economies are weaker, their tax rates and public debt levels are higher, and their health and welfare systems are more comprehensive.

By 2010, Japan's population is projected to have an older age structure than America's will in 2030, and Europe is not far behind. Their problems could quickly be exported worldwide.

In responding to these pressures, most developed nations will be tempted to run up deficits rather than dramatically raise payroll taxes or reduce social security benefits. The OECD projects that government red ink in the 20 largest economies could surpass 10 percent of their combined GDP by 2030.

These projections fail to take into account the aggregate effect of these combined deficits on global financial markets, which probably could not support such levels of borrowing for long.

And these risks will be exacerbated as large numbers of retirees begin to draw down their private savings and pension assets. The OECD estimates that dissaving by retirees, combined with a rise in government deficits, could lead to a decline in net national savings rates of as much as 15 percent.

It is highly unlikely that the developing world would be able to offset such a large-scale decline in savings. The more likely prospect is for a global capital shortage that would curtail world economic growth, plunging the industrial economies into even deeper fiscal crises and putting the aspirations of the Third World on hold indefinitely.

Every country has a stake in the way other countries respond to the challenges of aging societies. America has a responsibility to the rest of the world to put its fiscal house in order, but if Japan and Europe do not follow suit, American sacrifices could go for naught.

If one lesson is to be learned from the recent turbulence in global markets, it is that problems like societal aging must be anticipated and addressed in a multilateral context before they become a source of global financial instability.

Mr. Hewitt is a research fellow and Mr. Belt is vice president of international finance and economic policy at the Center for Strategic and International Studies. They contributed this comment to *The Washington Post*.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Maine Accident

NEW YORK — The Herald today [Feb. 17] says: "Nothing since President Garfield's assassination has so shocked the country as the calamity to the Maine. The overwhelming majority reject the theory that it was the deliberate work of friends and believe that it was the result of accident. The most blatant and foolish jingoism do not breathe a suspicion that the Spanish authorities had a hand in the terrible event. The worst theory is that it might be the work of individual miscreants." There is not yet a scintilla of evidence that the explosion was anything but accident.

### 1923: Irish Amnesty

DUBLIN — President Cosgrave, of Dail Eireann, issued a stern warning to the rebels today [Feb. 17]. The offer of amnesty expires tomorrow, and

the President declares that if it is not accepted there will be "no going back" and no meeting for peace negotiations. Every rebel, he says, must be prepared "to pay the price in full." The Association of Neutral Members of the Irish Republican Army has forwarded to both sides proposals for a truce of one month.

### 1948: Riots in Libya

TRIPOLI — British troops used gunfire and tear gas to quell Arab mobs demonstrating against the British military administration of Libya. A state of emergency was declared throughout Tripoli. The rioting began when angry mobs stoned the offices of the British military administration here. The demonstrators shouted demands for the release from jail of the leader of the Khudra party, a militant Arab bloc standing for the independence of Libya and affiliation with the Arab League States.

## LETTERS TO THE EDITOR

### Out of Line

Editorial: The fact that the United States is a superpower is not a reason for it to act in a unilateral manner. The United States should be a leader in the world, not a bully.

### Helping Indonesia

Editorial: The United States should be helping Indonesia in its economic crisis. The United States should be a friend, not a foe.

### Global Aging Crisis

Editorial: The global aging crisis is a real threat to the world. The United States should be leading the way in addressing this crisis.

### 1898: Maine Accident

Editorial: The Maine accident was a tragedy. The United States should be investigating the cause of the accident.

### 1923: Irish Amnesty

Editorial: The Irish amnesty is a good idea. The United States should be supporting it.

### 1948: Riots in Libya

Editorial: The riots in Libya are a sign of the struggle for independence. The United States should be supporting the people of Libya.

### Golfing Matters

Editorial: Golfing matters are important. The United States should be promoting golfing.

### Helping Indonesia

Editorial: The United States should be helping Indonesia in its economic crisis. The United States should be a friend, not a foe.



## OPINION/LETTERS

## If Clinton Lied, Watch Polls Plummet

By David S. Broder

WASHINGTON — The mail is fascinating these days for the insights it offers into the way the American public is wrestling with the confusing and disturbing information coming out of Washington. You can see why the president's approval scores have been so high — and why he still remains in jeopardy.

For the moment at least, hard-core Democrats accept Hillary Clinton's contention that this is a "right-wing conspiracy."

A woman from Tennessee writes: "I believe from the beginning Paula Jones and Jennifer Flowers were bought and paid for by the Republican Party and the Religious Right."

Both women are liars. Many others, particularly baby boomers and Generation Xers, buy their doubts about President Bill Clinton beneath their deep distaste for self-appointed moral monitors. They write, as a Cincinnati man did, of the "inquisitor" Kenneth Starr. And they say, in the words of an upstate New York man:

"Consider this. If all the married persons working in any city or county, in Congress, in any large church, TV network, or anywhere else who are playing around with somebody of the opposite sex were fired from their jobs, the unemployment rate would soar."

Half of U.S. marriages end in divorce, with adultery a factor in many of the breakups. Other marriages are tested by infidelities but survive. The American people may not condone extramarital affairs, but many of them admire couples who work through what Mr. Clinton has referred to as "troubles."

The steadfast support Hillary

Clinton has given her husband has built a powerful shield against public condemnation of the president.

Then there are the factors in the national environment that would work in favor of any president. The economy is strong, crime rates and welfare rolls are down. People sensibly ask: Why upset the apple cart?

The nation has a political and emotional investment in any twice-elected president.

**Adultery may not bother the public, but telling the truth matters.**

He is a known quantity. His accusers are people who popped up from nowhere. Their own actions raise doubts.

They secretly tape each other, negotiate publicly for legal immunity, seek publicity or book contracts.

The press that echoes their charges is itself deeply suspect in many Americans' eyes.

"Do newsmen get pleasure from putting President Clinton through the third degree?" a Wisconsin woman asks. "What power do they have to put him on trial?"

Some social critics say the support for Mr. Clinton reflects a deeply cynical public ready to abandon important values; to trade ethics for a fat paycheck. I don't agree. What we are seeing is the sensible conservatism of people who want to wait for the facts to emerge before they make up their minds.

My mail suggests the ul-

timinate judgment may be harsh. A Floridian writes: "Bill Clinton's problem is reprehensible and possibly illegal behavior. Extramarital sex merely underlies and accentuates the real problem."

And from Washington state: "Personally, I don't give a damn if the president sleeps with sheep. That truly is between him and his wife. But I do care if he uses a star-struck intern for his personal pleasure. I do care if he lies to the American people."

In the latest Washington Post-ABC News poll, those interviewed said by a 53 percent to 34 percent margin that they believe Mr. Clinton had an affair with Monica Lewinsky. But 60 percent said that even if he did it was not important to them, and they even more rejected an affair as a reason for removing President Clinton from office.

More than 8 out of 10, however, said that lying about the affair was more serious. So there is an obvious disconnect. If Mr. Clinton had an affair, his past denials to the public and to Paula Jones'

lawyers are lies. The public, lacking clear proof, has not yet confronted that more serious charge. If proof appears that the president has lied, Mr. Clinton may yet face Richard Nixon's fate.

We should not forget the one positive thing that emerged from the long ordeal of Watergate: the certain knowledge that Americans in the 1970s were as deeply committed to the fundamental idea of the constitution — the rule of law — as the men who wrote the charter in the 1780s.

It took months to puncture the public's desire to think well of a president it had but recently re-elected. But once the facts were clear, Mr. Nixon quickly lost his political and popular support.

The rule of law requires any American to give truthful testimony when sworn as a witness in a legal proceeding. If it turns out that President Clinton has not done that, the props of public opinion now supporting him will collapse. I would bet anything that Americans will once again say no one is above the law.

The Washington Post

## Making Whoopee for the Republic

By Christopher Buckley

WASHINGTON — Governor George W. Bush of Texas announced today that he will seek the Republican nomination in the year 2000, and that he currently maintains "sexual relations with 46 female interns, and not a one of 'em [is] old enough to vote."

Standing before a cheering throng of supporters on the steps of the state capitol building, Mr. Bush announced that he would run on a platform of education, crime and free love.

Steve Forbes interrupted a discussion of tax policy on the Lehrer News-Hour last night to declare that he "routinely engages" in "wild orgies" with members of his political action committee staff.

William Bennett, while promoting his new best-seller, "The Book of Virtues: Great Stories from Aristophanes to Arianna on Creative Degeneracy," said that he was "leaning toward running for president, and as president would name only Sports Illustrated swimsuit models to the Supreme Court."

Jack Kemp told a convention of Baptist ministers today that the reason he fared so poorly during his 1996 debate with Vice President Al Gore was that he had been distracted by a woman "sitting in the front row with

empowerment zones like Mount Sinai."

The former housing secretary said he would decide whether to run in 2000 after consulting with members of his escort service.

Former Vice President Dan Quayle said today that, contrary to his previous statements, he did have an affair with

## MEANWHILE

blonde "lobbyist" Paula Parkinson when he was a senator. "I knew Paula Parkinson," he told USA Today. "She was a friend of mine. And Paula Jones is no Paula Parkinson."

Mr. Quayle said that he would also campaign for "eliminating taxes and withdrawing American troops from Bosnia." An aide later clarified that he meant Bosnia.

Patrick J. Buchanan formally entered the 2000 presidential election today, declaring that he has "done more fornicating in the last month alone than the rest of those weenies [the Republican challengers] have since high school."

Speaking at a crowded tipples bar in Manchester, New Hampshire, Mr. Buchanan called for trade barriers,

repeal of the assault weapon ban and subsidies for U.S. condom manufacturers.

Former Governor William Weld threw his hat into the presidential ring today, announcing that he has "had more than 10,000 women. Mr. Weld, a classics scholar, noted that many of the greatest Roman emperors had died of heart attacks during orgies or from venereal disease, "and just look at the infrastructure they left behind."

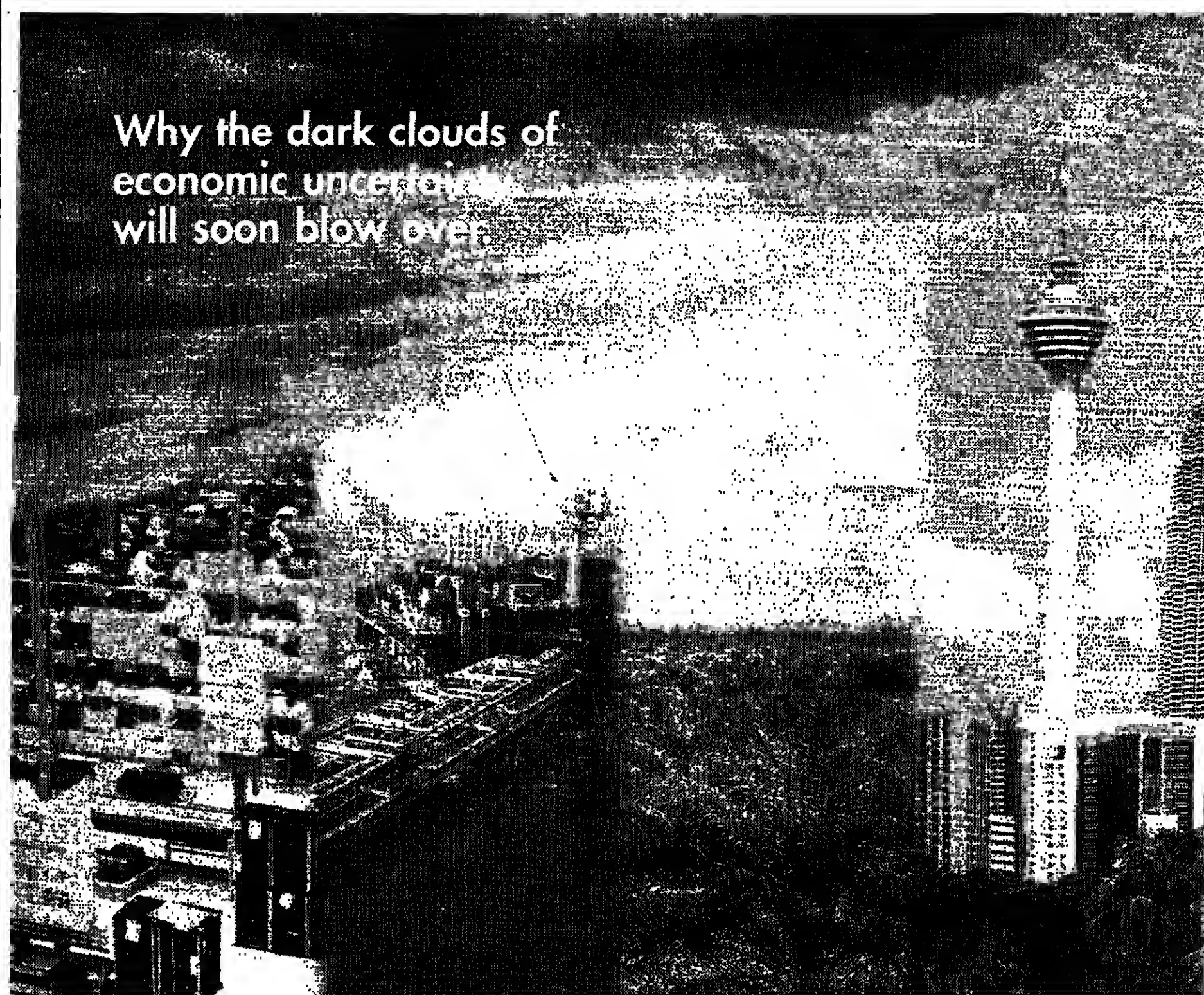
Lamar Alexander and his wife appeared on the program "60 Minutes" last night in an effort to dispel rumors that he was not having an affair with a University of Tennessee sophomore.

In what political watchers say is an indication that he, too, will seek the Republican nomination, the televangelist Pat Robertson said today on his "700 Club" program that he had "gone over the Good Book with a fine-toothed comb, and nowhere does it say that a man can't have a little harmless fun around the office."

Vice President Gore's popularity is reported to be plunging amid mounting Republican charges that he has been faithful to his wife.

The writer, editor of *Forbes FYI* magazine, contributed this comment to *The Washington Post*.

Why the dark clouds of economic uncertainty will soon blow over.



There have been dark clouds hovering over Malaysia lately. One such cloud has cleared... the haze. Yet when we were about to enjoy blue skies again, another dark cloud set in... economic uncertainty.

We Malaysians, however, expect this to clear too. In due time. With an optimism that is borne out of four decades of incredible economic growth the world has been witness to.

With the perseverance to make changes and sacrifices. With the wisdom of solid economic fundamentals to see us through. With the determination to do everything for the economy to bounce back.

And bounce back we will. How can we be so bullish about it? Because we've overcome other adversities before. And we'll do it again.

**MALAYSIA**  
**Bullish on Bouncing Back**

Bursa Saham Kuala Lumpur  
KUALA LUMPUR STOCK EXCHANGE

KUMPULAN GUTHRIE  
BERHAD

SAPURA

TELEKOM  
MALAYSIA

YAHOO!

## Destruction

The UN Security Council shut down Iraq's lucrative oil exports. This trade provides a hefty share of Baghdad's revenues. Its reduction would curtail the foreign currency under Saddam's control and further limit his ability to develop new weapons.

At the same time, the Security Council should increase the amount of oil that would be sold under the current sanctions. That would make more food and medicine available to the Iraqi population.

Middle East, and it would stop the U.S. from being a "right-wing conspiracy."

Such a strategy would reduce the misery of the Iraqi people. It also would give the Iraqi people a much greater assurance of success.

The writer, editor of *Forbes FYI* magazine, contributed this comment to *The Washington Post*.

## Great Is Russian

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By CONRAD/L.A. Times Syndicate

## LETTERS TO THE EDITOR

## No Military Action

We firmly believe that military action against Saddam Hussein at this time would be a profound mistake. It should be used only if all else has failed.

There is now a considerable body of evidence, based not least on reports from United Nations agencies and programs working in Iraq, that the current sanctions regime is afflicting the ordinary people of that country far more than the leadership.

As a result, we believe that an agreement should continue to be sought with the Iraqi government that would allow for a phased relaxation of the sanctions currently in force. The people of Iraq should not be asked to suffer any longer.

The UN Security Council should draw up a comprehensive list of everything that remains outstanding in terms of its cease-fire resolution, including details of all the military sites that must be visited on a continuing basis.

As the Iraqi government fulfills the demands on that list, so, on a step-by-step basis, should the sanctions be lifted.

If the Iraqis fail to reach an agreement or to implement one after it has been concluded, the Security Council will need to reconsider its position.

At that time, in our view, a new council resolution will be needed. In such a situation it is vital for the council to work on a basis of consensus — a basis that is clearly not present at the moment.

For a minority of states to take military action in the face of opposition from a great many other United Nations member states, including other permanent members of the Security Council, could prove disastrous and could lead to a wider war in the region, with all that such an eventuality would bring in its wake.

MALCOLM HARPER.  
London.

The writer is national director of the United Nations Association in Britain. The letter was also signed by five other United Nations Association officials.

## Out of Line

Regarding "Ice Dancing Waltzes Into Conflict" (*Sports*, Feb. 14):

In spite of the fact that she is a brilliant skater, Pasha Grishuk was way out of line when she made a derogatory comment about one of the stars in my film, Katarina Witt.

Miss Witt is not only a magnificent skater, but she brought a lovely quality of vulnerability and beauty to the role, which I do not feel Miss Grishuk ever could have done.

The luckiest thing that has happened to me in filming "Ronin" was that Miss Grishuk was unavailable because of the Olympics and we were fortunate enough to get another two-time Olympic champion, Katarina Witt.

I deeply resent artists in any field saying derogatory things about their colleagues. Miss Grishuk should just take her two medals and retreat silently into the wings.

JOHN FRANKENHEIMER  
La Plaine Saint Denis, France.

## Helping Indonesia

Regarding "To Liberalize, Indonesia Has to Reform the State" (*Opinion*, Jan. 27) by Hilton L. Root:

The article reported that the family of Indonesia's President Suharto has built a business empire worth an estimated \$40 billion.

The International Monetary Fund-led bailout package amounts to \$43 billion.

There seems to be a more obvious way to solve Indonesia's current financial problems.

KLAUS RIEBESEHL  
Petaling Jaya, Malaysia.

## Golfing Matters

Regarding "No Carts on the Course if Golf Is for Athletes" (*Meanwhile*, Feb. 4) by Tom Kite:

If Mr. Kite thinks that professional golf is only for athletes, why do he and other professional golfers not carry their own bags? Why do caddies select clubs and hand them to the golfers?

TOM JEWISS.  
Barcelona.

## Accident

The Herald ... ..

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## 1948: Riots in India

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## INTERNATIONAL

## U.S. Is Now Targeting Iraqi's Network of Internal Control

By Barton Gellman  
Washington Post Service

WASHINGTON — As President Bill Clinton and his top advisers embark on what amounts to a marketing campaign for airstrikes on Iraq, the trend in their evolving war plan goes well beyond the emphasis in public on damaging prohibited weapons programs, say participants in the continuing internal debate.

Defense and foreign policy officials said the president's national security team remains divided over the aims and expectations of the intended bombardment and frustrated senior officials said the target lists accumulating in the converted Bedouin village of Eski in Saudi Arabia, the U.S. Central Command's forward air headquarters, are still subject to daily revision.

But as bombing plans have expanded to encompass what one senior flag officer described as "thousands of aim points" in Iraq, a large share of the intended

violence is now directed at the apparatus maintaining President Saddam Hussein in power, from networks of secret police to Ba'ath Party organs. Apart from the longshot hope of a change of government, officials said, the aim is to crush Mr. Saddam's defiance by threatening his most valued assets of internal control.

The administration does not wish to advertise this intention, according to several accounts, because it fears the plan may not work. "In our public discourse of this we need to focus on an achievable objective," a senior administration official said.

But President Clinton's stated intention — to damage forbidden weapons stocks from the air, rather than compel Iraq to give full access to United Nations inspectors charged with discovering them on the ground — has been challenged by some in Congress and elsewhere as too limited. When critics in and out of government noted that Iraq could quickly reconstitute its biological and

chemical weapons programs, Secretary of State Madeleine Albright said last week that "We reserve the right for a follow-up strike."

There is broad dissatisfaction with that strategy in the military establishment, several senior officials said. "We pay such a huge price politically that we have fewer friends next time and even fewer the time after that," a military planner said. "Every six months doing maintenance strikes on Iraq for the next 10 years doesn't seem to be good foreign policy or military strategy."

General Anthony Zinni, chief of the U.S. Central Command, telegraphed an alternative in comments to traveling defense reporters last week. Asked what he had meant in a previous statement, when he spoke of targeting "what Saddam holds dear," he listed first among the intended targets the Iraqi president's apparatus of internal control.

"I think the things that obviously allow him to stay in power, threaten his

neighbors, threaten the use of weapons of mass destruction — the things that are involved in the control of those sorts of assets, and those are the kind of things I feel he holds dear," he said.

The Gulf War in 1991 featured a similar but largely abortive effort to target Mr. Saddam's power base. But the objectives of that war's six-week air campaign were largely elsewhere, and target planners then devoted less than 1 percent of their bombing missions — 260 of 36,046 "strike sorties" — to the category they designated "I-1" for leadership.

This time there will be far fewer bombing runs in all — probably less than 400 a day, several senior officers estimated.

But with the war plans lasting at least several days, senior generals said, American and British planes could drop more precision-guided weapons this time than they did seven years ago on what one officer called Mr. Saddam's "apparatus of repression."

"The emphasis is not just on chemical and biological weapons, a top flag officer said. "The emphasis is on 'You're going to make it hurt,' and the best way to hurt him is his core infrastructure. We're not going to leave that alone as we have in the past."

If he feels threatened enough with his regime stability, then he has no choice but to acquiesce. It's typical dictator mentality that the biggest thing that drives him is holding onto power."

Leadership targets in the 1991 war were concentrated largely in downtown Baghdad.

But the intervening seven years, defense and intelligence officials said, have revealed a good deal more about Mr. Saddam's mechanisms of control, including regional centers of the secret police and the Special Security Orga-

## Bahrain Bars Sorties

The Associated Press

MANAMA, Bahrain — Bahrain said Tuesday that it would not allow U.S. warplanes based on the island to take part in any attack against Iraq.

Bahrain, site of the headquarters of the U.S. 5th Fleet, joined neighboring Saudi Arabia and the United Arab Emirates in prohibiting use of the U.S. bases on their territory for any attack against Iraq.

There are 36 U.S. warplanes, including F-15 and F-16 strike fighters, based in Bahrain.

"Bahrain believes that it is necessary to redouble the political efforts," Information Minister Mohammed Mutawa was quoted as saying, for the United Nations and Iraq "to reach a peaceful solution."

nization run by his younger son, Qusay.

Among the new sources of information have been thousands of reconnaissance flights in support of UN inspectors and the windfall brought by the 1995 defection to Jordan of Hussein Kamel Hassan, a top lieutenant and son-in-law of Mr. Saddam.

The Clinton administration has struggled for nearly four months to harness military force to the broad U.S. interest in blocking Iraq's development of nuclear, biological and chemical weapons and the missiles to deliver them.

Members of interagency working groups said they considered and rejected plans ranging from insertion of ground troops for "inspections by force" to an escalating sequence of bombardment and ultimatum.

In a meeting in November of the cabinet-rank national security team, shortly after Iraq expelled all Americans on the UN inspection teams, Mrs. Albright solicited a debate on whether the administration should shift its emphasis from containment of the Baghdad government to its replacement.

One cabinet official said that was "clearly one of the most difficult questions" the administration faced, but according to accounts from the meeting, the national security adviser, Samuel Berger, and the chairman of the Joint Chiefs of Staff, General Henry Shelton, rejected the idea at once, saying that it was beyond the means of any but the largest military intervention, with U.S. ground troops.

When a diplomatic solution brokered by Russia gave way to renewed impasse with the UN inspection teams last month, several officials said the Clinton administration began to threaten the use of military force before fully thinking through what force might be used.

"The idea we had was that diplomacy plus the threat of force would coerce him to allow the inspectors to return and do their jobs," said one official. "It may not or it may yet."

The administration's bid for political support, which focused last week on private briefings for members of Congress, goes to the public Tuesday with a speech by Mr. Clinton at the Pentagon intended for live telecast.

On Wednesday, his three senior advisers — Mrs. Albright, Mr. Berger and Defense Secretary William Cohen — will lead a "town meeting" or public debate at Ohio State University.

Unlimited access for UN inspectors — "unfettered and unconditional," in Mrs. Albright's mantra — became the centerpiece of the administration's public diplomacy. Asked about the purpose of military force, she said flatly on Jan. 28 that it was to coerce a change of behavior by Mr. Saddam, but she and others dropped that formulation soon after.

Defense officials warned in the internal debate that they could not undertake to destroy the bulk of Iraqi chemical and biological weapons because they do not know where many of them are hidden and they can be so easily rebuilt, participants said.

## France Urges Visit by Annan After Warning Iraqi Official

By Craig R. Whitney  
New York Times Service

PARIS — Insisting Tuesday that the United Nations secretary-general, Kofi Annan, should be allowed one last chance to find a diplomatic solution with a trip to Baghdad, France also supported U.S. threats to bomb Iraq if Saddam Hussein refuses to allow UN weapons inspectors access to "presidential sites."

"Time is running out," President Jacques Chirac warned the Iraqi foreign minister, Mohammed Said Sabah, during a one-hour meeting in Paris, according to a French statement that said the country demanded that Iraq comply "strictly" with all UN Security Council resolutions.

Mr. Chirac, the statement said, "emphasized the extremely serious risks which would result from an Iraqi refusal to accept inspection of the 'presidential sites,'" and called on Iraq to make "further moves" to permit a diplomatic solution to the impasse.

"France considers that the search for a diplomatic solution now requires a visit to Baghdad this week on the part of the United Nations secretary-general," the statement continued. "France deems that the negotiation paths will not have been exhausted as long as Mr. Kofi Annan has not made such a visit."

Mr. Chirac's spokeswoman, Catherine Colonna, said he had telephoned President Boris Yeltsin of Russia, Prime Minister Tony Blair of Britain and the leaders of Spain and Italy to tell them he believed a diplomatic solution was still possible if Iraq relented. Reuters reported.

Mr. Yeltsin and Mr. Chirac agreed in the phone conversation to continue joint efforts to avert the use of force, the Kremlin said in a statement.

Mr. Sabah said after meeting Mr. Chirac that Iraq would deal "positively" with any ideas for a solution that Mr. Annan brought with him to Baghdad. The secretary-general is expected to go to Baghdad if all five permanent members of the Security Council — the United States, France, China, Russia and Britain — approve his trip.

Mr. Annan is scheduled to visit Paris on Wednesday but will not be seeing Mr. Sabah here, as was earlier thought possible, since the Iraqi foreign minister left after his talks Tuesday. He also met with Foreign Minister Hubert Vedrine who, diplomats said, reinforced Mr. Chirac's warning.

The French statement, like earlier ones, made it clear that France would much prefer a peaceful solution, and officials made it clear that France, which joined in the American-led war to expel Iraq from Kuwait in 1991, would stay on the sidelines if the bombs start falling again.

Interior Minister Jean-Pierre Chevènement, who resigned in protest as defense minister in 1991 because of French support for the war, said that keeping clear would ensure that France did not become the target of terrorist attacks by Islamic fundamentalists in retaliation for military action against Iraq.

"I mustn't lose sight of the danger of fundamentalist Islamic attacks," he said.

Algerian fundamentalists carried out a score of terrorist bombings in Paris and elsewhere in 1995 and 1996 in an unsuccessful campaign to force France to break with the Algerian government in a struggle with Islamic militants that has taken an estimated total of 70,000 lives.

Western diplomats here say that France's position on the tough American position in the current showdown with Iraq has left the White House feeling less than fully satisfied. Mr. Chirac has repeatedly expressed opposition to reliance on economic sanctions to force Iraq to comply with UN resolutions, saying that sanctions hurt only the civilian population, not President Saddam.

France was Iraq's largest western trade partner before the 1991 war and Mr. Chirac also has personal ties with Mr. Saddam that go back to a 1975 visit by the Iraqi leader. "You are my personal friend," Mr. Chirac told him then. "You are assured of my respect, my consideration and my affection."

At the time, France was trying to woo Iraq away from its main arms supplier, the Soviet Union and was willing to sell Baghdad billions of dollars worth of Mirage fighter-bombers, anti-aircraft batteries and a nuclear reactor



Palestinian police diverting supporters of Saddam Hussein of Iraq as they marched Tuesday in Bethlehem.

## Congress Declares a Long-Term War on Saddam

By Eric Schmitt  
New York Times Service

WASHINGTON — Before the first bomb is dropped on Iraq, congressional leaders are telling the Clinton administration what it should do after that.

If diplomacy fails to resolve the crisis in Iraq, the administration says, its strategy is not to topple President Saddam Hussein but to contain him and his elusive chemical and biological arsenal.

But a Republican-dominated chorus in Congress and in foreign-policy circles is demanding a long-term strategy to oust Mr. Saddam.

"Air attacks will do limited damage," said Senator John McCain, Republican of Arizona and a member of the Armed Services Committee. "But following that, there has to be this effort to destabilize and overthrow him. Otherwise we'll end up in the same situation a year or two years or three years from now."

Few if any lawmakers are even hinting at a replay of the Gulf ground war in 1991 to settle things. Said Senator Dan Coats, Republican of Indiana and another committee member: "There are alternatives other than simply sending hundreds of thousands of ground troops into Baghdad."

Such Republicans as the House speaker, Representative Newt Gingrich of Georgia, and such Democrats as Senator Carl Levin of Michigan took off to do list for President Bill Clinton and his national security lieutenants.

The options include enlarging the existing no-flight and no-drive zones in Iraq, tightening the economic

embargo, disbursing the billions of Iraqi assets frozen after the 1990 invasion of Kuwait to opposition groups, including a government in exile, and setting up a "Radio Free Iraq" to stir public opposition.

"The doctrine here has to be roll back, not containment," the Senate majority leader, Trent Lott of Mississippi, said on the Senate floor last week.

Not that the administration is closed to new ideas. The national security adviser, Samuel Berger, met for more than an hour at the White House last week with a dozen national security experts, including a former Defense Department undersecretary, Paul Wolfowitz, and former director of central intelligence, James Woolsey.

"Getting rid of Saddam is not a fairy tale," said Mr. Wolfowitz, a top-ranking official in the Bush administration. "It's doable. But they're afraid of the same thing that Bush was afraid of: declaring a goal and not achieving it."

But as Phoebe Marr, a national security expert on Iraq, put it, "There are no good options in Iraq, only less bad ones."

Until the recent crisis intensified, allied aircraft flew 20 flights a day over northern Iraq and 80 flights a day over the south to enforce no-flight zones that date from the end of the Gulf War.

Proponents of enlarging the zones to cover all of Iraq say doing so would deny Mr. Saddam sovereignty over his skies and prohibit him from using helicopter gunships to help suppress any rebellions.

The Joint Chiefs of Staff fear, however, that patrolling the huge area would be too costly, tying up

three to four times as many aircraft as the military uses now.

Mr. Saddam would be likely to test any edict by putting women and children aboard helicopters and daring U.S. fighters to shoot them down or force them to land, military experts say.

Another idea is to expand the no-drive zone in southern Iraq. Iraqi troops and tanks are forbidden to mass south of the 32d parallel, and experts say the cost of patrolling a larger area would be prohibitive.

The administration has also been trying to figure out whether it can tighten the already tight screws on Iraq's economy with additional financial freezes and economic sanctions. The embargo has already cost Baghdad \$110 billion in oil sales alone, Mr. Berger said.

The black-market flow of oil and other goods is hard to stop, a State Department official said. The United States is not particularly eager to stop illicit oil flows to Jordan, because Iraq is Jordan's only source of oil, the official added.

Moreover, Iran turns a blind eye to small trading ships that run along its hundreds of miles of coastline. Blocking this illicit commerce would be difficult for the marginal additional pressure on Mr. Saddam, naval experts say.

Finally, many critics have urged the administration to foster the Iraqi opposition, inside and outside the country.

But that option has flaws too. The opposition groups are relatively disorganized, poorly financed and decimated by Iraq's security forces.

## CLINTON: An Embarrassing Interview

Continued from Page 1

man said. "I've put myself in my own doghouse," he said, for answering questions he should not have.

Mr. McCurry's comments, however, suggested that the White House was laying the groundwork for conceding that the relationship between Mr. Clinton and Ms. Lewinsky was something more than that of "colleagues," as administration officials have said.

Mr. Clinton had said adamantly that he had no sexual relationship with Ms. Lewinsky. But he has yet to offer a full response to allegations that he met repeatedly with the young woman, telephoned her and gave her gifts.

"Maybe there'll be a simple, innocent explanation," Mr. McCurry said in the interview. "I don't think so, because I think we would have offered that up already."

"I think it's going to end up being a very complicated story, as most human relationships are," he told a Tribune reporter. "And I don't think it's going to be entirely easy to explain, maybe."

It remained unclear when Ms. Lewinsky would appear before the grand jury. Her attorney has said negotiations to secure full legal immunity for her in exchange for her testimony have stalled.

It was also uncertain when or whether her mother, Marcia Lewis, might return to testify. She had been expected to appear last week for a third day before the grand jury, but her lawyer said she was too traumatized after two days of testimony to return.

Mr. McCurry, meanwhile, said one reason Mr. Clinton had been reluctant to reveal more about the relationship was his concern that any information could be used to pressure people to twist the truth. "The other danger here is there may be enormous pressure on people to say certain things. That's a very real concern our lawyers have."

Mr. McCurry would not speculate on when Mr. Clinton would provide a full account. In the meantime, he said, "the art is to make sure everything we say is

truthful and credible and that we do no disservice to the truth in the time between now and whenever we can provide a fuller account."

He said that while Mr. Clinton had borne up well under the pressures of the Lewinsky investigation, the mood in the White House was one of tension and distrust, as the president held his tongue on some subjects for fear that even some close advisers might leak information.

"This is the White House at the end of the 20th century," he told the Tribune. "Not only a fishbowl, but the klieg lights are on all the time. It is extraordinary. There is no zone of privacy."

Mr. McCurry, who is widely respected by reporters as a credible representative of the president, has said that he himself has avoided involvement with details of the case, out of a fear, shared by others in the White House, of being subpoenaed to testify or suffering other expensive legal entanglements.

He declined to offer new details about the case to the interviewer. But he said he found allegations of any sexual adventure in the Oval Office difficult to believe because of the number of people frequently moving through the area.

Mr. Fox, the retired Secret Service officer, appeared before the grand jury under an agreement reached Friday between the office of the independent counsel, Attorney General Janet Reno and the Treasury Department, which oversees the service. The agreement bars investigators from asking questions that could impede the ability of the Secret Service to protect the president.

Mr. Fox's lawyer, Michael Leibig, said Tuesday that his client was guarding the Oval Office on a fall afternoon in 1995 when Ms. Lewinsky went in, and that she stayed "from 20 to 40 minutes."

Mr. Leibig said on ABC-TV that Mr. Fox "didn't see anyone else at the time" with Mr. Clinton and Ms. Lewinsky but that Mr. Fox "didn't see all the exits."

The Secret Service had resisted any testimony by its employees, saying it



Lewis Fox, a former Secret Service officer, after testifying on Tuesday.

could seriously damage the future relationship between those agents or officers and the presidents and other officials they protect. Mr. Leibig, who also represents an association of former uniformed Secret Service agents, warned that grand jury testimony by any agent could compromise national security.

Meanwhile, another potential obstacle was being raised to the testimony sought by Kenneth Starr, the independent counsel. The National Association of Criminal Defense Lawyers said it planned to file a brief Tuesday in federal court to support an effort by Francis Carter, a Washington lawyer who briefly represented Ms. Lewinsky, to avoid testifying to the grand jury.

The association planned to say such testimony would be a violation of the normal attorney-client privilege.

Mr. Carter had been recommended to Ms. Lewinsky by Vernon Jordan, an adviser of the president's, and Mr. Carter represented her when she provided a sworn affidavit in the Paula Jones case against Mr. Clinton, saying she had had a sexual relationship with the president. She later replaced Mr. Carter with William Ginsburg, a lawyer who has represented her family in California.

## IRAQ: Force May Be the 'Only Answer'

Continued from Page 1

reaching diplomatic initiatives and the U.S.-led military buildup around Iraq were both nearing a climax.

The UN secretary-general, Kofi Annan, was meeting ambassadors of the five permanent members of the Security Council to seek their mandate for an urgent mission to Baghdad; the United States has insisted that Mr. Annan not be authorized to offer any concessions to Mr. Saddam.

There was no immediate indication, however, that the combined weight of diplomatic pressure and military threat had brought the Iraqi government anywhere closer to a compromise.

Mr. Clinton was speaking at the beginning of a week in which U.S. officials are expected to take their case for military action to the American public.

On Wednesday, Mr. Cohen, Secretary of State Madeleine Albright and the president's national security adviser, Samuel Berger, all of whom joined Mr. Clinton at the Pentagon on Tuesday, are to appear at Ohio State University in Columbus to explain the U.S. policy on Iraq. Mrs. Albright is to visit several other cities during the week.

"If we fail to respond today," Mr. Clinton said in his speech, "Saddam and all those who would follow in his footsteps will be emboldened tomorrow."

## ■ Annan's Guidelines

Steven Erlanger of The New York Times reported from Washington:

Mr. Annan is expected to leave this week for Baghdad carrying American guidelines to limit any diplomatic compromise he may negotiate with Saddam Hussein.

The guidelines are intended to allow Mr. Annan, acting on behalf of the Security Council, to make some symbolic gestures toward Iraqi sovereignty in negotiations over access to so-called presidential compounds. But they make it clear that the role and powers of UN weapons inspectors working for UN-

scom must not be undermined or limited.

The Security Council was meeting again Tuesday. If he gets their endorsement, Mr. Annan could leave for Iraq before the weekend.

While not hiding on Mr. Annan, the American guidelines will probably form the core of any consensus the Security Council might reach. And the guidelines, a senior American official said Monday, will show "where our bottom line is, because he knows there's not much point going to Baghdad and floating a proposal that we won't accept."

The Americans and British are willing to let Mr. Annan explore with Mr. Saddam some "special procedures" for the inspection of specific Iraqi presidential residences that could require the approval of Mr. Annan himself or having inspectors accompanied by other diplomats, the officials said.

## No Confirmation Iraq Exported Arms

Reuters

WASHINGTON — The White House said Monday that it had no credible evidence to back up a congressional report that Iraq farmed out deadly weapon components and SCUD missiles to sympathetic Arab nations, including Sudan, Yemen, Libya and Algeria.

"We have no credible evidence that Iraq has exported weapons of mass destruction technology to other countries since the Gulf War," a White House official said.

In a report last week, the director of the House of Representatives Task Force on Terrorism and Unconventional Warfare said Iraq shipped out parts of its nuclear, chemical and biological weapons programs, as well SCUD missiles, after invading Kuwait in 1990.



*The Associated Press.*

12 Month	High	Low	Stock	Chg	Ytd	PE	100	High	Low	Latest	Corp
12.50	12.50	12.50	12.50	0.00	12.50	10.00	100	12.50	12.50	12.50	ABC Corp
12.40	12.40	12.40	12.40	0.00	12.40	10.00	100	12.40	12.40	12.40	DEF Corp
12.30	12.30	12.30	12.30	0.00	12.30	10.00	100	12.30	12.30	12.30	GHI Corp
12.20	12.20	12.20	12.20	0.00	12.20	10.00	100	12.20	12.20	12.20	JKL Corp
12.10	12.10	12.10	12.10	0.00	12.10	10.00	100	12.10	12.10	12.10	MNO Corp
12.00	12.00	12.00	12.00	0.00	12.00	10.00	100	12.00	12.00	12.00	PQR Corp
11.90	11.90	11.90	11.90	0.00	11.90	10.00	100	11.90	11.90	11.90	STU Corp
11.80	11.80	11.80	11.80	0.00	11.80	10.00	100	11.80	11.80	11.80	VWX Corp
11.70	11.70	11.70	11.70	0.00	11.70	10.00	100	11.70	11.70	11.70	YZA Corp
11.60	11.60	11.60	11.60	0.00	11.60	10.00	100	11.60	11.60	11.60	BCD Corp
11.50	11.50	11.50	11.50	0.00	11.50	10.00	100	11.50	11.50	11.50	EFG Corp
11.40	11.40	11.40	11.40	0.00	11.40	10.00	100	11.40	11.40	11.40	HIJ Corp
11.30	11.30	11.30	11.30	0.00	11.30	10.00	100	11.30	11.30	11.30	KLM Corp
11.20	11.20	11.20	11.20	0.00	11.20	10.00	100	11.20	11.20	11.20	NOP Corp
11.10	11.10	11.10	11.10	0.00	11.10	10.00	100	11.10	11.10	11.10	QRS Corp
11.00	11.00	11.00	11.00	0.00	11.00	10.00	100	11.00	11.00	11.00	TUV Corp
10.90	10.90	10.90	10.90	0.00	10.90	10.00	100	10.90	10.90	10.90	WXY Corp
10.80	10.80	10.80	10.80	0.00	10.80	10.00	100	10.80	10.80	10.80	ZAB Corp
10.70	10.70	10.70	10.70	0.00	10.70	10.00	100	10.70	10.70	10.70	CDE Corp
10.60	10.60	10.60	10.60	0.00	10.60	10.00	100	10.60	10.60	10.60	FGH Corp
10.50	10.50	10.50	10.50	0.00	10.50	10.00	100	10.50	10.50	10.50	IJK Corp
10.40	10.40	10.40	10.40	0.00	10.40	10.00	100	10.40	10.40	10.40	LMN Corp
10.30	10.30	10.30	10.30	0.00	10.30	10.00	100	10.30	10.30	10.30	OPQ Corp
10.20	10.20	10.20	10.20	0.00	10.20	10.00	100	10.20	10.20	10.20	RST Corp
10.10	10.10	10.10	10.10	0.00	10.10	10.00	100	10.10	10.10	10.10	UVW Corp
10.00	10.00	10.00	10.00	0.00	10.00	10.00	100	10.00	10.00	10.00	XYZ Corp
9.90	9.90	9.90	9.90	0.00	9.90	10.00	100	9.90	9.90	9.90	ABC Corp
9.80	9.80	9.80	9.80	0.00	9.80	10.00	100	9.80	9.80	9.80	DEF Corp
9.70	9.70	9.70	9.70	0.00	9.70	10.00	100	9.70	9.70	9.70	GHI Corp
9.60	9.60	9.60	9.60	0.00	9.60	10.00	100	9.60	9.60	9.60	JKL Corp
9.50	9.50	9.50	9.50	0.00	9.50	10.00	100	9.50	9.50	9.50	MNO Corp
9.40	9.40	9.40	9.40	0.00	9.40	10.00	100	9.40	9.40	9.40	PQR Corp
9.30	9.30	9.30	9.30	0.00	9.30	10.00	100	9.30	9.30	9.30	STU Corp
9.20	9.20	9.20	9.20	0.00	9.20	10.00	100	9.20	9.20	9.20	VWX Corp
9.10	9.10	9.10	9.10	0.00	9.10	10.00	100	9.10	9.10	9.10	YZA Corp
9.00	9.00	9.00	9.00	0.00	9.00	10.00	100	9.00	9.00	9.00	BCD Corp
8.90	8.90	8.90	8.90	0.00	8.90	10.00	100	8.90	8.90	8.90	EFG Corp
8.80	8.80	8.80	8.80	0.00	8.80	10.00	100	8.80	8.80	8.80	HIJ Corp
8.70	8.70	8.70	8.70	0.00	8.70	10.00	100	8.70	8.70	8.70	KLM Corp
8.60	8.60	8.60	8.60	0.00	8.60	10.00	100	8.60	8.60	8.60	NOP Corp
8.50	8.50	8.50	8.50	0.00	8.50	10.00	100	8.50	8.50	8.50	QRS Corp
8.40	8.40	8.40	8.40	0.00	8.40	10.00	100	8.40	8.40	8.40	TUV Corp
8.30	8.30	8.30	8.30	0.00	8.30	10.00	100	8.30	8.30	8.30	WXY Corp
8.20	8.20	8.20	8.20	0.00	8.20	10.00	100	8.20	8.20	8.20	ZAB Corp
8.10	8.10	8.10	8.10	0.00	8.10	10.00	100	8.10	8.10	8.10	CDE Corp
8.00	8.00	8.00	8.00	0.00	8.00	10.00	100	8.00	8.00	8.00	FGH Corp
7.90	7.90	7.90	7.90	0.00	7.90	10.00	100	7.90	7.90	7.90	IJK Corp
7.80	7.80	7.80	7.80	0.00	7.80	10.00	100	7.80	7.80	7.80	LMN Corp
7.70	7.70	7.70	7.70	0.00	7.70	10.00	100	7.70	7.70	7.70	OPQ Corp
7.60	7.60	7.60	7.60	0.00	7.60	10.00	100	7.60	7.60	7.60	RST Corp
7.50	7.50	7.50	7.50	0.00	7.50	10.00	100	7.50	7.50	7.50	UVW Corp
7.40	7.40	7.40	7.40	0.00	7.40	10.00	100	7.40	7.40	7.40	XYZ Corp
7.30	7.30	7.30	7.30	0.00	7.30	10.00	100	7.30	7.30	7.30	ABC Corp
7.20	7.20	7.20	7.20	0.00	7.20	10.00	100	7.20	7.20	7.20	DEF Corp
7.10	7.10	7.10	7.10	0.00	7.10	10.00	100	7.10	7.10	7.10	GHI Corp
7.00	7.00	7.00	7.00	0.00	7.00	10.00	100	7.00	7.00	7.00	JKL Corp
6.90	6.90	6.90	6.90	0.00	6.90	10.00	100	6.90	6.90	6.90	MNO Corp
6.80	6.80	6.80	6.80	0.00	6.80	10.00	100	6.80	6.80	6.80	PQR Corp
6.70	6.70	6.70	6.70	0.00	6.70	10.00	100	6.70	6.70	6.70	STU Corp
6.60	6.60	6.60	6.60	0.00	6.60	10.00	100	6.60	6.60	6.60	VWX Corp
6.50	6.50	6.50	6.50	0.00	6.50	10.00	100	6.50	6.50	6.50	YZA Corp
6.40	6.40	6.40	6.40	0.00	6.40	10.00	100	6.40	6.40	6.40	BCD Corp
6.30	6.30	6.30	6.30	0.00	6.30	10.00	100	6.30	6.30	6.30	EFG Corp
6.20	6.20	6.20	6.20	0.00	6.20	10.00	100	6.20	6.20	6.20	HIJ Corp
6.10	6.10	6.10	6.10	0.00	6.10	10.00	100	6.10	6.10	6.10	KLM Corp
6.00	6.00	6.00	6.00	0.00	6.00	10.00	100	6.00	6.00	6.00	NOP Corp
5.90	5.90	5.90	5.90	0.00	5.90	10.00	100	5.90	5.90	5.90	QRS Corp
5.80	5.80	5.80	5.80	0.00	5.80	10.00	100	5.80	5.80	5.80	TUV Corp
5.70	5.70	5.70	5.70	0.00	5.70	10.00	100	5.70	5.70	5.70	WXY Corp
5.60	5.60	5.60	5.60	0.00	5.60	10.00	100	5.60	5.60	5.60	ZAB Corp
5.50	5.50	5.50	5.50	0.00	5.50	10.00	100	5.50	5.50	5.50	CDE Corp
5.40	5.40	5.40	5.40	0.00	5.40	10.00	100	5.40	5.40	5.40	FGH Corp
5.30	5.30	5.30	5.30	0.00	5.30	10.00	100	5.30	5.30	5.30	IJK Corp
5.20	5.20	5.20	5.20	0.00	5.20	10.00	100	5.20	5.20	5.20	LMN Corp
5.10	5.10	5.10	5.10	0.00	5.10	10.00	100	5.10	5.10	5.10	OPQ Corp
5.00	5.00	5.00	5.00	0.00	5.00	10.00	100	5.00	5.00	5.00	RST Corp
4.90	4.90	4.90	4.90	0.00	4.90	10.00	100	4.90	4.90	4.90	UVW Corp
4.80	4.80	4.80	4.80	0.00	4.80	10.00	100	4.80	4.80	4.80	XYZ Corp
4.70	4.70	4.70	4.70	0.00	4.70	10.00	100	4.70	4.70	4.70	ABC Corp
4.60	4.60	4.60	4.60	0.00	4.60	10.00	100	4.60	4.60	4.60	DEF Corp
4.50	4.50	4.50	4.50	0.00	4.50	10.00	100	4.50	4.50	4.50	GHI Corp
4.40	4.40	4.40	4.40	0.00	4.40	10.00	100	4.40	4.40	4.40	JKL Corp
4.30	4.30	4.30	4.30	0.00	4.30	10.00	100	4.30	4.30	4.30	MNO Corp
4.20	4.20	4.20	4.20	0.00	4.20	10.00	100	4.20	4.20	4.20	PQR Corp
4.10	4.10	4.10	4.10	0.00	4.10	10.00	100	4.10	4.10	4.10	STU Corp
4.00	4.00	4.00	4.00	0.00	4.00	10.00	100	4.00	4.00	4.00	VWX Corp
3.90	3.90	3.90	3.90	0.00	3.90	10.00	100	3.90	3.90	3.90	YZA Corp
3.80	3.80	3.80	3.80	0.00	3.80	10.00	100	3.80	3.80	3.80	BCD Corp
3.70	3.70	3.70	3.70	0.00	3.70	10.00	100	3.70	3.70	3.70	EFG Corp
3.60	3.60	3.60	3.60	0.00	3.60	10.00	100	3.60	3.60	3.60	HIJ Corp
3.50	3.50	3.50	3.50	0.00	3.50	10.00	100	3.50	3.50	3.50	KLM Corp
3.40	3.40	3.40	3.40	0.00	3.40	10.00	100	3.40	3.40	3.40	NOP Corp
3.30	3.30	3.30	3.30	0.00	3.30	10.00	100	3.30	3.30	3.30	QRS Corp
3.20	3.20	3.20	3.20	0.00	3.20	10.00	100	3.20	3.20	3.20	TUV Corp
3.10	3.10	3.10	3.10	0.00	3.10	10.00	100	3.10	3.10	3.10	WXY Corp
3.00	3.00	3.00	3.00	0.00	3.00	10.00	100	3.00	3.00	3.00	ZAB Corp
2.90	2.90	2.90	2.90	0.00	2.90	10.00	100	2.90	2.90	2.90	CDE Corp
2.80	2.80	2.80	2.80	0.00	2.80	10.00	100	2.80	2.80	2.80	FGH Corp
2.70	2.70	2.70	2.70	0.00	2.70	10.00	100	2.70	2.70	2.70	IJK Corp
2.60	2.60	2.60	2.60	0.00	2.60	10.00	100	2.60	2.60	2.60	LMN Corp
2.50	2.50	2.50	2.50	0.00	2.50	10.00	100	2.50	2.50	2.50	OPQ Corp
2.40	2.40	2.40	2.40	0.00	2.40	10.00	100	2.40	2.40	2.40	RST Corp
2.30	2.30	2.30	2.30	0.00	2.30	10.00	100	2.30	2.30	2.30	UVW Corp
2.20	2.20	2.20	2.20	0.00	2.20	10.00	100	2.20	2.20	2.20	XYZ Corp
2.10	2.10	2.10	2.10	0.00	2.10	10.00	100	2.10	2.10	2.10	ABC Corp
2.00	2.00	2.00	2.00	0.00	2.00	10.00	100	2.00	2.00	2.00	DEF Corp
1.90	1.90	1.90	1.90	0.00	1.90	10.00	100	1.90	1.90	1.90	GHI Corp
1.80	1.80	1.80	1.80	0.00	1.80	10.00	100	1.80	1.80	1.80	JKL Corp
1.70	1.70	1.70	1.70	0.00	1.70	10.00	100	1.70	1.70	1.70	MNO Corp
1.60	1.60	1.60	1.60	0.00	1.60	10.					

12 Month	Stock	Div Yld	PE	100% High	Low/Latest	Chg
3874	25%	43	23	71	7427	27
3875	25%	43	23	71	7427	27
3876	25%	43	23	71	7427	27
3877	25%	43	23	71	7427	27
3878	25%	43	23	71	7427	27
3879	25%	43	23	71	7427	27
3880	25%	43	23	71	7427	27
3881	25%	43	23	71	7427	27
3882	25%	43	23	71	7427	27
3883	25%	43	23	71	7427	27
3884	25%	43	23	71	7427	27
3885	25%	43	23	71	7427	27
3886	25%	43	23	71	7427	27
3887	25%	43	23	71	7427	27
3888	25%	43	23	71	7427	27
3889	25%	43	23	71	7427	27
3890	25%	43	23	71	7427	27
3891	25%	43	23	71	7427	27
3892	25%	43	23	71	7427	27
3893	25%	43	23	71	7427	27
3894	25%	43	23	71	7427	27
3895	25%	43	23	71	7427	27
3896	25%	43	23	71	7427	27
3897	25%	43	23	71	7427	27
3898	25%	43	23	71	7427	27
3899	25%	43	23	71	7427	27
3900	25%	43	23	71	7427	27
3901	25%	43	23	71	7427	27
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International  
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The European Fin  
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<http://www.tecfaf>

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**International Fine Art  
and Antiques Fair  
7 - 15 March  
MECO Maastricht  
The Netherlands**

**International Fine Art  
and Antiques Fair  
7 – 15 March  
MECO Maastricht  
The Netherlands**

**Information:**  
**The European Fine Art Foundation**  
**+31 73 614 5165**  
**<http://www.tcfaf.com>**



## Job Cut Aims to Restore Profitability, Firm Says

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1. The first step is to identify the problem. This involves understanding the current situation and what needs to be changed.

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medium term, it is also an  
internationally important de-  
terminant for the growth of  
the economy and financial sta-  
bility of the country.

The share of wood in France's  
GDP is about 0.5%.

Source: Eurostat, 1998.

**CURRENT**

Artist	Album	Label	Release Date	Genre
Bob Dylan	Planet Waves	Columbia	1974	Folk
Paul Simon	Still Crazy Like the First	Columbia	1975	Folk
John Lennon	Milk and Honey	Capitol	1970	Folk
George Harrison	Wonderwall Music	Apple	1968	Folk
Eric Burdon & The Animals	Mr. Tambourine Man	Capitol	1967	Folk
Simon & Garfunkel	Bridge over Troubled Water	Columbia	1970	Folk
Carole King	Tapestry	Capitol	1971	Folk
Joan Baez	The Joan Baez Album	Capitol	1968	Folk
Timothy Leary	Timothy Leary	Capitol	1968	Folk
Bob Dylan	John Wesley Harding	Columbia	1967	Folk
Paul Simon	Graceland	Columbia	1986	Folk
John Lennon	Imagine	Capitol	1971	Folk
George Harrison	Clouds	Apple	1969	Folk
Eric Burdon & The Animals	Mr. Tambourine Man	Capitol	1967	Folk
Simon & Garfunkel	Bridge over Troubled Water	Columbia	1970	Folk
Carole King	Tapestry	Capitol	1971	Folk
Joan Baez	The Joan Baez Album	Capitol	1968	Folk
Timothy Leary	Timothy Leary	Capitol	1968	Folk
Bob Dylan	John Wesley Harding	Columbia	1967	Folk
Paul Simon	Graceland	Columbia	1986	Folk
John Lennon	Imagine	Capitol	1971	Folk
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Eric Burdon & The Animals	Mr. Tambourine Man	Capitol	1967	Folk
Simon & Garfunkel	Bridge over Troubled Water	Columbia	1970	Folk
Carole King	Tapestry	Capitol	1971	Folk
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Bob Dylan	John Wesley Harding	Columbia	1967	Folk
Paul Simon	Graceland	Columbia	1986	Folk
John Lennon	Imagine	Capitol	1971	Folk
George Harrison	Clouds	Apple	1969	Folk
Eric Burdon & The Animals	Mr. Tambourine Man	Capitol	1967	Folk
Simon & Garfunkel	Bridge over Troubled Water	Columbia	1970	Folk
Carole King	Tapestry	Capitol	1971	Folk
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Simon & Garfunkel	Bridge over Troubled Water	Columbia	1970	Folk
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But the U.S. government turned out to be

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WEDNESDAY, FEBRUARY 18, 1998

PAGE 13

## In Turnabout, Southeast Asian Nations Try to Stabilize Shaky Indonesia

By Michael Richardson  
International Herald Tribune

SINGAPORE — Financial turmoil, looming recession and race riots have undermined Indonesia's standing in Southeast Asia and alarmed its neighbors, who now see the world's fourth most populous nation as a dangerous source of instability for the region, officials and analysts say.

Regarded by other Southeast Asian countries for more than two decades as a "first among equals" by virtue of its size, moderating influence and constructive diplomacy, Indonesia has been overwhelmed and is no longer able to play its traditional role. Political and Economic Risk Consultancy Ltd. of Hoog Kong warned in a recent report.

"Once the diplomatic leader in ASEAN, playing host to international conferences seeking to resolve outstanding regional problems in Indochina and

the conflicting territorial claims in the South China Sea," the report said, "Indonesia itself may soon become the focus of attention of regional governments who feel obliged to set aside their own problems to consider how they are going to help Jakarta avoid an economic and political maelstrom that could make things worse for just about everybody."

That trend was evident Tuesday when the leaders of Malaysia and Singapore agreed in talks in Kuala Lumpur to resolve several long-standing bilateral disputes and focus on new areas of cooperation.

Prime Minister Mahathir bin Mohamad and his Singapore counterpart, Goh Chok Tong, "recognized that the regional financial crisis has further underscored the need for both countries to cooperate closely in all possible areas," a joint statement said, citing investment and use of regional currencies to avoid dependence on the U.S. dollar.

The Association of South East Asian Nations comprises Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Malaysia is the current chairman.

Mr. Mahathir said he and Mr. Goh had discussed the situation in Indonesia

## NEWS ANALYSIS

not because they were seeking to interfere in its internal affairs but because what happened there would have repercussions throughout the region.

Sharp falls in the value of the Indonesian rupiah have undermined support for other regional currencies.

Indonesia's Southeast Asian neighbors are concerned that racial clashes there, which have pitted majority Muslims against minority ethnic Chinese, could spill over to other countries — nearly all of which have ethnic Chinese minorities. Singapore is the

only country in the region with a population that is mostly Chinese.

"Singapore is a small essentially ethnic Chinese state surrounded by Malay/Muslim populations, many of whom harbor deep and thinly disguised resentments over the domination of their own economies by ethnic Chinese," said Bruce Gale, Political and Economic Risk Consultancy's regional manager based in Singapore. "In the coming months, as unemployment rises and competition for scarce resources in neighboring countries increases, these underlying ethnic tensions could rise to the surface."

Some officials are concerned that recession in Indonesia and Thailand — both of which had to turn to the International Monetary Fund for assistance — and currency depreciations and economic troubles in other countries of ASEAN will weaken the group's plan to implement a regional free-trade zone

and integrate other sectors of their economies.

In significant gestures of regional solidarity, Singapore contributed \$5 billion and Malaysia \$1 billion, in U.S. dollars, to the \$43 billion in emergency loans for Indonesia organized by the International Monetary Fund in exchange for Indonesian pledges to undertake sweeping economic reforms.

But Mr. Goh said in Kuala Lumpur that a Singapore initiative to put together a multilateral trade-financing guarantee for Indonesia so that it could get essential imports and exports moving again had been delayed by Jakarta's move to replace its central bank with a currency-board system that would tie the value of the rupiah to the U.S. dollar.

He said that Singapore had put forward the proposal on the basis that Bank Indonesia, the central bank, would guarantee payments for Indonesian imports.

"We expect the rupiah to be rather volatile," Mr. Goh said. "It may strengthen for a while, but by and large it's going to be a volatile currency. That means the Indonesians are going to find it tough to import foodstuffs, components, spare parts."

Mr. Goh said rising costs would add to unemployment pressures and social unrest. "It's worrying," he added. "They face a severe problem."

Prime Minister Chuan Leekpai of Thailand said in an interview with Reuters on Monday that Indonesia's problems and their contagious effect on neighboring countries would stunt any Thai recovery.

Mr. Mahathir will visit oil-rich Brunei Wednesday to discuss the region's economic and financial crisis, officials said Tuesday. The Malaysian leader has held similar consultations recently in Thailand, the Philippines and Singapore to try to develop a more coordinated ASEAN strategy.

## Holzmann To Downsize In Germany

Job Cut Aims to Restore Profitability, Firm Says

Compiled by Our Staff From Despatches

FRANKFURT — Philipp Holzmann AG, Germany's largest construction company, said Tuesday it would cut more than 4,000 jobs, including 3,000 in Germany, or 14 percent of its German work force, to try to return to profitability this year.

The company, which said Monday it would post an operating loss of as much as 250 million Deutsche marks (\$137 million), said it would cut the jobs this year amid a "difficult economic situation."

Faced with some of the world's highest wage costs and a sluggish economy, Holzmann and other German companies have cut back and reorganized to try to remain competitive. Those measures have bolstered Germany's unemployment rate, which reached another post-World War II record of 12.6 percent in January.

The construction sector is one of the hardest hit, facing its third consecutive year of investment decline. Last year, Holzmann cut its German work force by about 2,000 jobs, or 9 percent, to 20,830. Worldwide, the builder cut its staff by 23 percent, to 40,168, in 1997.

But this year Holzmann was hurt by foreign losses as well as by its real-estate activities. Its Thai unit, Philipp Holzmann (Thailand) Ltd., lost 200 million DM, while 100 million DM was lost at its French unit, Nord France SA.

Holzmann's chairman, Heinrich Binder, said that withdrawing from unprofitable activities in Thailand and France and cutting jobs would help the company save 300 million DM and achieve its objective of a slight profit in 1998. In 1996, the group had a net profit of 1 million DM.

"The divestment of loss-making foreign activities in France and Thailand is only the first step in this process," Mr. Binder said.

"Risky" real-estate ventures will be cut back "to a lean but profitable portfolio under professional management," Mr. Binder added. He also said the company planned to shrink its Thai payroll to 600 from 2,900.

German job cuts would include reducing central administration staff to 200 from 540, Holzmann said. The total domestic work force in 1998 would fall to about 18,000.

The company said it also planned to enter into strategic partnerships to help it back into profit.

"In the medium term, it is vital to expand those international business activities strategically important for Philipp Holzmann and realize a steadily increasing value from this source," the company said.

Holzmann's shares closed in Frankfurt at 430 DM, down 8.

(Bloomberg, Reuters, AFP)



Tina Brown, the celebrated editor of a troubled magazine.

## The Magazine With Everything but a Profit

The New Yorker's Financial Woes Provide Rich Grist for Media Gossip Mill

By Robin Pogrebin  
New York Times Service

NEW YORK — The New Yorker would seem to be the magazine that has everything: An illustrious 73-year history. A powerhouse editor. Prominent writers. Buzz. Everything except a profit.

Last year, the privately held magazine lost about \$11 million. That is an improvement over 1996, when it lost about \$14 million and over 1995, when the loss was about \$17 million. But the ink is still running red nonetheless.

Why that continues to be the case 13 years after S.I. Newhouse Jr. bought The New Yorker for \$168 million remains one of the great mysteries in publishing.

The drama has been heightened because of its larger-than-life characters: Mr. Newhouse, 70, the chairman of Advance Publications, which owns The New Yorker as well as Conde Nast Publications; Tina Brown, The New Yorker's editor, 44; Thomas Florio, 41, the magazine's president, and Steve Florio, 48, Tom's brother and the president and chief executive of Conde Nast.

As a result, the magazine has lately become delectable grist for the media gossip mill, so much so that it is difficult to tell solid fact from dizzying spin.

The current flurry of attention focused on The New Yorker was prompted by reports that the magazine would be folded into Conde Nast's corporate umbrella in January 1999, to be sold to advertisers as a package with the company's 15 other publications, including Vogue, Glamour and GQ.

The New Yorker will also physically become part of Conde Nast,

moving from its offices on West 43d Street into the Conde Nast tower rising in Times Square.

Although advertisers would have to adjust to Conde Nast's inflexible ad rates after being accustomed to The New Yorker's negotiations, several said that the merger simply made business sense. The New Yorker would benefit from the marketing muscle of a smooth-running ad machine and would save money by merging its back-office operations into Conde Nast's cushy infrastructure.

But some media executives say the possible merger raises questions about the magazine's independence and about why, in a strong economy with a celebrated editor, a magazine many refer to as the gold standard has not been able to make a dime.

Many people similarly mystified assume that Mr. Newhouse must be fed up with losing money on The New Yorker — despite being personally worth \$4.5 billion from his other media holdings, according to Forbes — and see the possible Conde Nast merger as a sign that he feels the need for drastic measures.

But, sitting in a faded New Yorker sweatshirt at his office last week, Mr. Newhouse said he was unconcerned, that he viewed Ms. Brown's New Yorker as a start-up and that losing money on start-ups was routine. "It was practically a new magazine," he said. "She added topicality, photography, color. She did what we would have done had we invented The New Yorker from scratch."

"To do all that was costly," he added. "We knew it would be."

So if he is pleased with the progress of The New Yorker, why did

See MAGAZINE, Page 17

## OECD Steps Up Efforts On Investment Accord

By Carl Gewirtz  
International Herald Tribune

PARIS — Senior government officials meeting here Tuesday agreed to "intensify their efforts" to reach agreement on a controversial treaty covering foreign investments in time for signing in April at the ministerial meeting of the Organization for Economic Cooperation and Development.

Participants at the two-day meeting about the multilateral agreement on investment said that an accord was within reach and that everyone around the table wanted such an agreement. This included the 29 governments who belong to the OECD — the so-called "rich man's club" of the most advanced nations — as well as five participants from the developing world, Argentina, Brazil, Chile, Slovakia and Hong Kong.

But the U.S. delegation, led by the undersecretary of state, Stuart Eizenstat, expressed reservations that the work could be finished in time for the ministerial meeting in late April.

When completed, the treaty will be open for signature to all nations and is expected to serve as a beacon, attracting investments to those who sign and deflecting investments from countries that reject its provisions.

The treaty aims to establish rules protecting direct foreign investments, which already total about \$8 trillion and are growing by about \$350 billion a year, assuring foreign investors that

they will be treated on an equal footing with local investors.

To critics who have asserted that the agreement would give multinationals too much power to influence local laws, particularly on environmental issues, the negotiators said that they had heard and understood these concerns and that the final text would make clear that rather than threatening environmental or labor standards, the treaty would become a vehicle for better policies.

The negotiators said that the final text would make clear that domestic legislation that applied to all investors would not be subject to dispute under the treaty.

On the politically charged issue of Europe's insistence that cultural trade be excluded, officials said there was never any intention of going back on the agreement that had been reached on this issue in a 1993 world trade agreement excluding the cultural area.

As for Europe's insistence that any agreement would have to include language that inhibited unilateral declarations of laws to be applied internationally, European officials said these negotiations were over intended to resolve the dispute over the extraterritorial reach of U.S. laws regarding investments in Iran and Libya or the use of expropriated property in Cuba.

But "a solution to these issues seems necessary to ensure a successful outcome of the negotiations," the communiqué issued at the end of the meeting said.

## CURRENCY &amp; INTEREST RATES

Cross Rates										Libid-Libor Rates									
	USD	EUR	GBP	JPY	AUD	NZD	HKD	SAR	THB		1-month	3-month	6-month	9-month	12-month	15-month	18-month	21-month	24-month
Australian	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
British	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Canadian	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
French	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
German	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Italian	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	15-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Japanese	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
New York	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	21-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Portugal	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Spain	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	27-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Switzerland	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	30-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Thailand	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Taiwan	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Turkey	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
U.S.	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
West Germany	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Yen	1.48	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1-year	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Global Private Banking

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Clients sense this security in the quality of our service: personalized, responsive, but meticulously discreet. Which is why they bank with us, and stay with us. Security and service, after all, are the heart and soul of Republic.

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World Headquarters of Republic National Bank of New York in New York

Republic National Bank of New York, 1998



## THE AMERICAS

## Stocks' Gains Help Dollar Move Higher

## Help Dollar Move Higher

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against other major currencies Tuesday, led by gains in U.S. stock and bond markets.

The dollar got an added lift against the Deutsche mark after the president of the Bundesbank, Hans Tiedtke, said he hoped to keep interest rates low for as long as possible.

"There's a lot of dollar-buying optimism because of the stock market and signs the U.S. economy is on the move," said Jesse Torres, chief

currency trader at Bank Austria in New York.

The dollar rose to 1.8253 DM in late trading from 1.8181 DM on Friday. The U.S. markets were closed Monday for a holiday. The U.S. currency also rose to 126.56 yen from 125.210 yen.

Against other currencies, the dollar rose to 1.4727 Swiss francs from 1.4605 francs and to 6.1200 French francs from 6.0940 francs. The pound was at \$1.6330, down from \$1.6340.

U.S. financial assets gained after a report showed unchanged U.S. industrial production in January, a signal that inflation was under control.

"The data was softer in the states, but that helped the asset markets," said Mike Wallace, head of currency strategy for Standard &amp; Poor's MMS in London.

Steady Bundesbank lending rates would keep intact the gap between U.S. and German rates, which currently favors the dollar.

The U.S. federal funds rate is at 5.50 percent, compared with 3.30 percent for Germany's securities repurchase rate. The Bundesbank last raised that rate in October to keep inflation in check. Economic reports since then have shown scant signs of German inflation.

Separately, U.S. Treasury Secretary Robert Rubin said a 22-nation program to restructure international economic structures should include a plan to ensure that investors and bankers who made bad decisions bore the burden of those mistakes.

In an address to finance ministers and central bankers from 21 other countries in Washington to plan a special meeting on the financial crisis in Asia and other developing markets, Mr. Rubin said one of the key issues that should be addressed was "appropriate burden-sharing by the private sector."

(Bloomberg, APX)

## Bond Rally Lifts Wall Street to a Record

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose in a record again Tuesday as investors were buoyed by big gains in Europe, falling long-term interest rates and more merger mania.

Bond prices climbed, driving yields lower, as turmoil in Indonesia and a report suggesting the U.S. economy was losing steam bolstered the allure of Treasury securities.

Meanwhile, U.S. Treasury Secretary Robert Rubin said the risk of contagion from Asia's economic crisis had been "limited" so far, though risks remained.

The Asian economies have not stabilized enough to declare the crisis over, he said.

Garth Nisbet, a bond manager at Crabbie Huxon Group in Portland, Oregon, said the Asian crisis "is not over yet, and the economic effects are ahead of us," and this could

spell more gains for bonds.

The Dow Jones industrial average was up 28.40 points to 3,938.50, a fifth straight record close. The market was closed Monday for a holiday. The Standard &amp; Poor's 500-

spell more gains for bonds.

The Federal Reserve reported that January's non-normal weather in January caused a big 4 percent drop in production at U.S. electric and gas utilities. That was enough to keep overall production unchanged, after having posted a 0.4 percent increase in November.

It was the first time industrial production had failed to record a monthly increase since October 1996.

"The industrial production report told us the economy is not too cold, not too hot, but just right," said Alfred Goldman, director of market analysis at A.G. Edwards &amp; Sons Inc. in St. Louis.

Takeover news also lifted some stocks.

Beneficial soared after the consumer-finance company hired Goldman, Sachs &amp; Co. and Merrill

Lynch &amp; Co. to explore strategic options, including a possible sale.

Other finance shares also gained, on expectations that their profits would benefit from lower bond yields. Fannie Mae rose, Household International gained, and Provident Financial rose.

Devon Group rose 14% to 60% after Applied Graphics Technologies agreed to buy it for \$440 million in cash and stock, expanding the high-tech graphics company that formats some of America's largest magazines.

Eli Lilly fell on concern that sales were getting off to a slow start for Evista, a new treatment for a condition that makes bones thinner.

ConAgra dropped after the food-products concern warned that earnings for the second half of 1998 would meet expectations.

(Bloomberg, AP, Reuters)

## Investor's America

The Dow 30-Year T-Bond Yield

Dollar in Deutsche marks Dollar in Yen

1997 1998

Exchange Index February Close Change

U.S. The Dow 3098.50 3938.50 +28.40

U.S. S&amp;P 500 1022.77 1022.77 +0.28

U.S. NYSE Composite 632.78 632.78 +0.28

U.S. Nasdaq Composite 1700.45 1700.45 +0.21

U.S. AMEX Composite 602.43 602.43 +0.21

Toronto TSX Index 4988.90 4988.90 +0.20

Sao Paulo Bovespa 10420.40 10420.40 +0.20

Mexico City Bolsa 2507.43 2507.43 +0.20

Buenos Aires Merval 671.90 671.90 +0.20

Santiago IPSA Index 4288.51 4288.51 +0.20

Caracas Capital Gersoni 7208.51 7208.51 +0.20

Source: Bloomberg, Reuters International Herald Tribune

## Very briefly.

• SPX Corp., a U.S. vehicle service company, made a \$3 billion hostile bid for Echlin Inc., an auto-parts manufacturer. SPX said it would pay about \$48 a share for the Connecticut-based company.

• Applied Graphics Technologies Inc. agreed to buy Devon Group Inc. for \$440 million, or \$60 a share, in cash and stock, expanding the company that formats some of the nation's largest magazines.

• Deere &amp; Co., maker of agricultural and construction equipment, said fiscal first-quarter earnings rose 15 percent to \$303.3 million, or 81 cents a diluted share, from \$176.7 million, or 68 cents, in the year-earlier period.

• Brazil's gross domestic product grew 3.03 percent in 1997 compared with 2.91 percent growth a year earlier.

• U.S. Industries Inc., maker of Jacuzzi products, agreed to buy Zurn Industries Inc. for about \$545 million in stock.

• Intimate Brands Inc.'s fourth-quarter earnings rose to \$159.6 million, or 63 cents a diluted share, from \$157.7 million, or 62 cents, a year ago.

(Bloomberg, Reuters)

## Sony Pictures Chief Quits in Dispute

The Associated Press

CULVER CITY, California — Jeff Sagansky has resigned as co-president of Sony Pictures Entertainment Inc., citing a dispute with Sony Corp. over a company reorganization.

"The terms under which I accepted this assignment almost a year and a half ago have changed," Mr. Sagansky said Monday. "Sony Corp. has stated its desire to reorganize our international business in ways that are far different from my understanding."

Separately, Sony and Cineplex Odeon Corp. of Toronto said they were going ahead with their plan to merge their North American movie-theater operations. The deal was announced last year but was delayed as it was reviewed by regulators.

## Computer Firm Faces Hostile Bid

Compiled by Our Staff From Dispatches

ISLANDIA, New York — Computer Associates International Inc. made a \$9.8 billion hostile takeover bid Tuesday for Computer Sciences Corp. after the company did not respond to its earlier offers to negotiate a friendly merger.

The bid includes \$700 million in assumed debt.

Computer Associates' offer of \$108 a share in cash for each of Computer Sciences' 85 million shares outstanding matched a friendly bid made last week. Computer Sciences rejected that bid as well as a higher offer reported to be \$114 a share. A deal at that price would be one of the biggest takeovers in the computer industry.

Computer Associates said it also had started legal action to compel Computer Sciences' directors to take steps to allow Computer Sciences' shareholders to consider the offer. The hostile bid is contingent on Computer Sciences removing its "poison pill" shareholder-rights plan.

Computer Sciences' stock fell 87.5 cents to \$106.50, and Computer Associates' shares closed at \$46, down \$2.375.

Computer Associates makes software to run large computer systems. Computer Sciences provides technology services.

(AP, Reuters, Bloomberg)

## U.S. Consumers Start to Shun Debt

By Robert D. Hershey

New York Times Service

NEW YORK — American consumers, often portrayed as fecklessly mired in high-cost debt, appear to be saying enough is enough.

Their automobile, credit-card and other installment debt, which excludes mortgages, rose just 4.7 percent last year, compared with 6.9 percent in 1996 and 14.2 percent in 1995.

The slowdown in borrowing was easy to overlook in a year when personal bankruptcies set a record, consumer debt hovered over a 10-year high and America's savings rate sank to its lowest level since 1939.

While signs of strained household budgets grabbed attention, the consumers spending accounts for two-thirds of national output responded by throttling back. And they ended the year on a particularly sober note.

In dollar terms, consumers owed no more at the end of the year than they had two months earlier. Installment debt grew at a modest 3.9 percent annual rate in December after falling 3.6 percent in November. Until then, there had been an unbroken string of increases dating to May 1993.

Though monthly numbers can be volatile and gauges of consumer confidence remain strong, the October stock-market decline could have diminished borrowing, as could the

possibility of an economic slowdown related to the Asian financial crisis.

"Consumers as a group are very responsible borrowers," said James Smith, a University of North Carolina finance professor and a former credit specialist at Sears, Roebuck &amp; Co.

"They typically pull in their horns before they cause a problem."

Because consumer spending has helped fuel the U.S. economic boom, and much of that spending

has been through borrowing, a drastic slowdown could be worrisome. The flip side of spending is savings, and the national savings rate was 3.8 percent last year.

To some degree, Americans have been forced to be more frugal. Banks have been tightening their lending standards every quarter for about two years, according to a survey of senior loan officers by the Federal Reserve Board.

Consumers have a heavy debt load already. Measured as a percentage of disposable income, installment debt has hovered at 20 percent for the past three years, near its highs of the late 1980s.

"Consumers seem to be sensitive to their debt levels," said James

Chessen, chief economist at the American Bankers Association.

The relatively high interest rates on loans other than home mortgages probably have helped curb borrowers' appetites. The Fed has kept its benchmark short-term interest rate at 5.5 percent — prompting banks to keep their prime rates at a lofty 8.5 percent — even as inflation has virtually disappeared.

Should the decline in inflation give way to actual deflation, or a general decline in prices, debt repayment would become far more burdensome for consumers. That is because much of the borrowed money has been used to buy assets, from homes to cars, whose value would decline.

An example on a limited scale is the real-estate downturn of the 1980s, when some homeowners in depressed markets found themselves owing more on their homes than those homes would bring if sold.

Most economists who have expressed an opinion, however, say the chances of an outbreak of deflation are small; nor do they fear that the current business expansion, expected to reach the seven-year mark next month, is in jeopardy because of overextended or satiated consumers.

For all their clout, consumers rarely bring on recession. Downturns are nearly always the result of imbalances in corporate America, overheated economic conditions that force the Fed to raise rates or external shocks such as a disruption in the oil supply.

## AMEX

## Tuesday's 4 P.M. Close

The 300 most traded stocks of the day, up the closing Wall Street.

The Associated Press

Stock Sales High Low Last Chg

AIG 29 274 274 274 +1

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## U. S. STOCK MARKET DIARY

## Feb. 17, 1998

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## INTERNATIONAL FUTURES

## Feb. 17, 1998

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## EUROPE

## Reform in Romania: Impatience Is Growing

By Peter S. Green  
International Herald Tribune

**PRAGUE** — Romania's government is pressing ahead with economic reforms after weeks of political squabbling, but analysts say that unless the talk turns into action, the country will face a full-fledged crisis by year's end.

After surviving calls for his resignation, the reform-minded prime minister, Victor Ciorbea, won Parliament's approval for his reshuffled cabinet last week.

But a stagnant stock market and disappointing economic statistics for 1997 that were made public last week, including a 6.6 percent drop in gross domestic product, 151 percent inflation and 8.8 percent unemployment, illustrate the pressure the government is under.

The Bucharest Stock Exchange's B.E.T. index of 10 blue-chip issues has risen 6 percent in the last month but is still down 12 percent over three months.

"It's time for them to do something," said Parvioleta Stancu, a Romania analyst at ING-Barings in London.

A team from the International Monetary Fund is in Romania this week to determine whether reform is back on track before it will release the final tranche of a \$410 million standby loan that the country needs to remain solvent.

Mr. Ciorbea's four-party coalition government came to power just over a year ago promising radical economic changes. While it has had some success stabilizing the economy, public resistance to reform and political battles within the cabinet have hobbled efforts to complete projects such as privatizing government holdings, cutting

state subsidies and closing unprofitable mines and factories.

President Emil Constantinescu, who led the reformers to victory after seven years of rule by former Communists, has clearly grown exasperated with the government's inaction. "Unfortunately, for a month there was more talk than ever about reform, but less than ever was implemented," he said after swearing in the new cabinet members.

Romanians need their leaders to take firm decisions and carry out decisive actions now."

Unleash Mr. Ciorbea, they will gain

seek his resignation.

Romania is struggling with the same problems that have stifled growth since market changes were first introduced after the fall of Nicolae Ceausescu, the Communist dictator, in December 1989. Mr. Ciorbea's cabinet has yet to change the way Romania does business.

Many Communist-era industrial giants need to be reshaped, a process that will require major investment and cost hundreds of thou-

sands of jobs. The country's current-account deficit stands at \$2.1 billion, or 6 percent of its gross domestic product. Its budget deficit is slightly healthier, at 4.1 percent of GDP. And although interest rates have come down in the last month, they remain prohibitively high for small businesses.

The government's key reformers understand these problems. "The main problem is neither the budget deficit nor monetary policy but structural reforms," said Finance Minister Daniel Daianu. "If we don't make a breakthrough, if we are not perceived as having the

strength to do this, things will get very complicated.

The government says it plans to privatize the country's telecommunications monopoly, Romtel, this year, as well as float large parts of at least three companies on international stock markets and privatize some 1,600 small and medium-sized enterprises with a total value of from \$2.7 billion to \$3 billion.

Already, it has lowered interest rates by offering Treasury bonds to domestic investors. Overnight borrowing rates are now between 80 percent and 90 percent, down from 120 percent last month. Tax changes have slashed top tax brackets, replacing lost revenue with consumption taxes, rules on foreign investment and ownership have been eased, and the Romanian currency is now almost fully convertible.

Dan Barbutescu, head of research at the Bucharest brokerage Vanguard, said that although the macroeconomic picture did not look good yet, privatization was proceeding. He also said that foreign portfolio investors brought \$450 million into Romania last year and took out only \$10 million. The reason so much investment stayed here, he said, was that "the prices here are bargain prices, and you don't sell at bargain prices."

## Pound Holds Back SmithKline Net

Compiled by Our Staff From Dispatches

**LONDON** — SmithKline Beecham PLC, the drugmaker that is negotiating to merge with its rival Glaxo Wellcome PLC, said Tuesday that 1997 pretax profit rose 7 percent, in line with expectations, even as adverse currency movements held down a rise in new-product sales.

The company also said it expected to make a further announcement about its merger talks with Glaxo Wellcome in early March.

Jan Leschly, the chief executive, said the proposed merger, which would create the world's largest pharmaceutical company, represented a "compelling strategic opportunity" for both companies to enhance their industrial position and shareholder value.

SmithKline said that pretax profit rose to £1.65 billion (\$2.70 billion)

last year from £1.54 billion in 1996, even though the strength of the pound had cut pretax profit by £157 million and trimmed sales by £666 million.

Excluding the currency impact, profit rose 17 percent, while sales rose 11 percent.

Revenue for 1997 was down 1.6 percent, at £7.79 billion. Sales of prescription pharmaceuticals rose 13 percent, to £4.57 billion.

Steve Abbott, an analyst at Credit Lyonnais Laing, said there were no surprises in the earnings statement. "The thing that was most important is what they are going to do and when they will talk about the merger," he said.

If you look at the underlying growth, we are doing very well," Mr. Leschly said. "Our new products are living up to expectations, and the consumer business is

doing very well." Shares of SmithKline rose 6 pence to close at \$141.

Separately, the Swedish-American pharmaceutical group Pharmacia & Upjohn Inc. posted a 26 percent fall in net profit for 1997, to \$739 million, as restructuring costs from its 1995 merger continued to weigh down results.

Sales fell 6 percent from 1996, to \$6.35 billion, adjusted for comparable units. The company said it took a fourth-quarter restructuring charge of \$493 million.

Pharmacia & Upjohn announced last year that it would combine its sales, marketing, clinical research and development, and business functions into a single worldwide pharmaceutical business.

The company said it expected to take additional restructuring charges of less than \$100 million in 1998. (Bloomberg, Reuters, AFP)

## Talks on Currency For Africa Founder

Reuters

**ABUJA, Nigeria** — Talks on a single monetary zone for 16 West African countries founded Tuesday over disagreements between former British and French colonies, Nigerian officials said.

They said the planned introduction of a travelers' check in a common currency for the Economic Community of West African States had been postponed after a meeting of a subcommittee was canceled.

"They are still trying to sort out the areas of disagreement, but the gap between the anglophone and francophone countries is huge, and there appears no clear way of bridging it," a Nigerian official said. A common currency was first proposed more than 10 years ago. At a meeting last year, the group called for the creation of a single monetary zone by 2000.

## Stocks Reach New Heights In Europe

Compiled by Our Staff From Dispatches

**LONDON** — Europe's major stock markets hit record highs Tuesday as Wall Street and global bond markets jumped on hopes that U.S. interest rates would not rise soon and may eventually start to drop.

Bourses in London, Frankfurt, Paris, Zurich, Madrid and Brussels soared to new levels after the Federal Reserve Board reported that U.S. factory output had shown little sign of growth in January.

"This is again a pretty constructive number for the fixed-income markets," said Mitch Stapley of KPMG. "This helps the market build a foundation, and rates can continue to work lower."

The U.S. data helped propel Wall Street shares at the start of trading in New York, and European stocks followed course.

The Financial Times-Stock Exchange 100-share index in London finished 89.61 points, or 1.59 percent, higher at a record 5,709.50 points amid takeover speculation and robust earnings from some of Britain's largest companies.

"The banks, financial-services and drug companies still have a lot of mergers and deals yet to come," said Peter Hwin, head of research at Murray Johnstone.

The electronic Xetra DAX index in Frankfurt finished 91.86 points, or 2.03 percent, higher at a record close of 4,627.42, lifted by a strong bond market.

"Speculation in the financial markets is lifting stocks," said Christian Desmoulin of Banque Nationale de Paris. "The talk that Allianz and Dresdner may announce some plans is still there."

In Paris, the CAC-40 index gained 64.33 points, or 1.72 percent, to a record finish of 3,280.45, as lower interest rates cut borrowing costs for companies.

Spanish stocks gained, posting the IBEX 35 index to a record of 8,283.72 points, up 138.90 points, or 1.71 percent, by the utility company Endesa SA and Telefonica de Espana SA.

Swiss stocks also set a record amid speculation there will be further consolidation among financial-services companies. The Swiss Market Index of 21 shares finished 85.20 points, or 1.22 percent, higher at 6,950.50. (Reuters, Bloomberg)

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
4750	5700	3350
4500	5500	3200
4250	5300	3050
4000	5100	2900
3750	4900	2750
3500	4700	2600
1997	1997	1997
1998	1998	1998
Exchange	Index	Tuesday Close
Amsterdam AEX	1,006.50	985.84
Brussels BEL-20	2,589.59	2,554.51
Frankfurt DAX	4,602.40	4,520.64
Copenhagen Stock Market	694.80	692.86
Helsinki HEX General	3,941.18	3,873.02
Oslo OBX	679.26	667.45
London FTSE 100	5,709.50	5,619.90
Madrid Stock Exchange	784.40	713.77
Milan MIBTEL	19932	19566
Paris CAC 40	3,280.45	3,225.12
Stockholm SX 16	3,584.61	3,526.62
Vienna ATX	1,341.17	1,340.83
Zurich SPI	4,332.86	4,284.53

Source: Telekurs  
International Herald Tribune

## Very briefly:

- WPP Group PLC credited cost-cutting and new business with helping it to overcome the effects of the strong pound and post a 14.6 percent increase in second-half profit, to £64.3 million (\$105.3 million).
- Gencor Ltd., a South African precious-metals producer, said first-half profit after one-time items fell 36.7 percent, to 56 million rand (\$11.4 million), as gains in platinum offset losses in gold.
- Britain's public sector had a record monthly surplus in January of £10.38 billion; economists said changes in the personal-taxation system were one major reason.
- Barclays PLC's 1997 pretax profit fell 26 percent, to £1.71 billion, after exceptional charges of £425 million related to the sale of the bank's investment-banking activities.
- Telefonica de Espana SA canceled a board meeting that had been scheduled for Wednesday to deal principally with strategy and the telephone company's international alliances.
- Thyssen Handelson AG, the services division of Thyssen AG, signed a letter of intent to sell Thyssen Schutte Bautechnik, a unit with nearly 2 billion Deutsche marks (\$1.1 billion) in sales, to Clayton, Dubilier & Rice, a New York-based investment company.
- Ferrovie dello Stato, the Italian railway, said its entire board of directors, which had been heavily criticized in recent months over several accidents, had resigned. A meeting was called for Wednesday to elect a new board.
- AFC Ajax, Amsterdam's soccer club, plans to sell 30 percent of its shares to the public to try to raise about 100 million guilders (\$48.8 million).
- Svenska Handelsbanken AB, Sweden's largest bank in terms of assets, said its fourth-quarter profit fell 8 percent, to 1.48 billion kronor (\$183.1 million), as income from bond trading decreased.

Bloomberg, AFP, Reuters

## WORLD STOCK MARKETS

Tuesday, Feb. 17  
Prices in local currencies.

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High Low Close Prev.

Amsterdam AEX index: 1004.50  
Previous: 985.84

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NASDAQ

Tuesday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

Stock	Dr	Yd	PE	High	Low	Close
IBM	110.00	110.00	110.00	110.00	110.00	110.00
Microsoft	110.00	110.00	110.00	110.00	110.00	110.00
Oracle	110.00	110.00	110.00	110.00	110.00	110.00
Amazon	110.00	110.00	110.00	110.00	110.00	110.00
Google	110.00	110.00	110.00	110.00	110.00	110.00
Yahoo	110.00	110.00	110.00	110.00	110.00	110.00
Alibaba	110.00	110.00	110.00	110.00	110.00	110.00
Facebook	110.00	110.00	110.00	110.00	110.00	110.00
Twitter	110.00	110.00	110.00	110.00	110.00	110.00
LinkedIn	110.00	110.00	110.00	110.00	110.00	110.00

Stock	Dr	Yd	PE	High	Low	Close
Apple	110.00	110.00	110.00	110.00	110.00	110.00
Microsoft	110.00	110.00	110.00	110.00	110.00	110.00
Oracle	110.00	110.00	110.00	110.00	110.00	110.00
Amazon	110.00	110.00	110.00	110.00	110.00	110.00
Google	110.00	110.00	110.00	110.00	110.00	110.00
Yahoo	110.00	110.00	110.00	110.00	110.00	110.00
Alibaba	110.00	110.00	110.00	110.00	110.00	110.00
Facebook	110.00	110.00	110.00	110.00	110.00	110.00
Twitter	110.00	110.00	110.00	110.00	110.00	110.00
LinkedIn	110.00	110.00	110.00	110.00	110.00	110.00

NYSE

Tuesday's 4 P.M. Close  
(Continued)

Stock	Dr	Yd	PE	High	Low	Close
IBM	110.00	110.00	110.00	110.00	110.00	110.00
Microsoft	110.00	110.00	110.00	110.00	110.00	110.00
Oracle	110.00	110.00	110.00	110.00	110.00	110.00
Amazon	110.00	110.00	110.00	110.00	110.00	110.00
Google	110.00	110.00	110.00	110.00	110.00	110.00
Yahoo	110.00	110.00	110.00	110.00	110.00	110.00
Alibaba	110.00	110.00	110.00	110.00	110.00	110.00
Facebook	110.00	110.00	110.00	110.00	110.00	110.00
Twitter	110.00	110.00	110.00	110.00	110.00	110.00
LinkedIn	110.00	110.00	110.00	110.00	110.00	110.00

Stock	Dr	Yd	PE	High	Low	Close
Apple	110.00	110.00	110.00	110.00	110.00	110.00
Microsoft	110.00	110.00	110.00	110.00	110.00	110.00
Oracle	110.00	110.00	110.00	110.00	110.00	110.00
Amazon	110.00	110.00	110.00	110.00	110.00	110.00
Google	110.00	110.00	110.00	110.00	110.00	110.00
Yahoo	110.00	110.00	110.00	110.00	110.00	110.00
Alibaba	110.00	110.00	110.00	110.00	110.00	110.00
Facebook	110.00	110.00	110.00	110.00	110.00	110.00
Twitter	110.00	110.00	110.00	110.00	110.00	110.00
LinkedIn	110.00	110.00	110.00	110.00	110.00	110.00

China Maps  
Tariff Cuts  
For WTO

BEIJING — China's government has agreed to cut tariffs on a wide range of goods to meet the requirements of the World Trade Organization (WTO). The cuts are part of a broader effort to integrate the Chinese economy with the global market. The government has announced that it will reduce tariffs on 10,000 different types of goods, including agricultural products, textiles, and electronics. The cuts are expected to take effect by the end of the year. This move is seen as a significant step towards China's accession to the WTO, which is a key goal for the Chinese government. The cuts are also expected to benefit Chinese consumers by lowering the prices of many imported goods.

Computer Crime

WASHINGTON — Federal authorities are investigating a series of computer crimes that have caused significant damage to several major corporations. The crimes involve the theft of sensitive data and the disruption of critical systems. Investigators are working to identify the perpetrators and recover the stolen information. The cases highlight the growing threat of cybercrime in the digital age. Federal agencies are collaborating with international law enforcement to track down the criminals. The investigation is ongoing, and authorities expect to make significant progress in the coming weeks.

High-Tech Espionage

Continued from Page 1  
WASHINGTON — Federal authorities are investigating a series of high-tech espionage cases that have caused significant damage to several major corporations. The cases involve the theft of sensitive data and the disruption of critical systems. Investigators are working to identify the perpetrators and recover the stolen information. The crimes highlight the growing threat of cyber espionage in the digital age. Federal agencies are collaborating with international law enforcement to track down the criminals. The investigation is ongoing, and authorities expect to make significant progress in the coming weeks.

INDONESIA

Continued from Page 1  
Mr. Suharto, the Indonesian president, has announced a series of reforms to improve the country's economic and political situation. The reforms include measures to reduce corruption, improve the legal system, and promote economic growth. Mr. Suharto has also announced that he will step down from office at the end of his current term. This move is seen as a significant step towards democratic reform in Indonesia. The reforms are expected to have a positive impact on the country's future. The Indonesian people are hopeful that these changes will lead to a more stable and prosperous nation.

2002/2/18



## ASIA/PACIFIC

China Maps  
Tariff Cuts  
For WTO

Compiled by Our Staff From Dispatches

BEIJING — China promised Tuesday to submit to the World Trade Organization an offer of detailed tariff cuts in a move seen as a step forward in its bid to join the free-trade club.

Leon Brittan, the European Union trade commissioner, said he had won the pledge for sweeping tariff cuts in his meetings with Chinese officials including Foreign Trade Minister Wu Yi.

"It has now been agreed that we will get the real nitty-gritty in the form of a line-by-line offer in Geneva by early March," Mr. Brittan said in Beijing.

He said he had no details on what the proposal would be but added that he had pushed Beijing to eliminate many "tariff peaks," or rates over 15 percent.

Analysts said the offer was a small but positive step toward China's winning a seat in the WTO, which sets the rules for international trade.

"It is encouraging that they are committing to a time," a Western diplomat said.

China imposes average tariffs of 17 percent. It cut tariffs from an average of 23 percent last October in a move to improve its chances for entry to the WTO.

President Jiang Zemin has pledged that China will cut tariffs to an average 15 percent by 2000.

But analysts said that membership was still a long way off for China despite steady improvements in its tariff regime.

The European Union called Tuesday for an annual summit meeting with China to improve political ties. Mr. Brittan said that improved political links were necessary to maintain the economic impetus to bring China into the mainstream.

"We already have an agreement that there will be a meeting between China and Europe on the sidelines of the Asia-Europe meeting in London later this year, but there is no agreement to make it an annual event or to involve heads of state," he said.

(Reuters, AFP)

## Taiwan Confident of Bank Leader's Legacy

Compiled by Our Staff From Dispatches

TAIPEI — Before his death in a plane crash, Taiwan's central bank governor helped create a strong banking system that has survived the recent Asian turmoil and will probably remain solid, analysts said Tuesday.

The central banker, Shu Yuan-dong, was among the 203 people killed Monday in the crash of a China Airlines Airbus 300 near the Chiang Kai-shek International Airport in Taipei.

"It was a terrible disaster, but investors are not panicking," said Oliver Fang, an analyst at National Securities. "The investors are confident that governor Shu's death will not adversely affect the central bank's ability to support Taiwan's economy."

Mr. Shu, 70, guided Taiwan through a controlled devaluation of its currency — about 16 percent against the dollar in the past year — as other Asian exchange rates plunged. Whoever succeeds him must now ensure that accelerating inflation does not threaten one of the few economies in the region that is likely to accelerate this year.

Patrick Liang, one of Mr. Shu's deputies, and Paul Chiu, the island's finance minister, emerged as the leading candidates to head of the world's third-richest central bank.

Mr. Liang, named acting governor early Tuesday, moved quickly to reassure investors that Mr. Shu's policies would continue.

At an emergency meeting before the markets opened Tuesday, Mr. Li-

ang vowed to maintain the "not loose, not tight" monetary policy engineered by Mr. Shu. "All operations will remain normal," he said.

Mr. Shu's successor will come to the job at a particularly difficult time. Mr. Shu was Taiwan's representative in befriending Asian governments, most of which do not recognize Taiwan diplomatically, because of opposition from China. On Monday, Mr. Shu and his team were returning from a meeting of central bankers in Bali to discuss the region's economic turmoil.

The key Taiwan stock index finished up 73.80 points, at 8,782.09, after Mr. Liang and others reassured investors that Mr. Shu's policies would be maintained. The Taiwan dollar was little changed at 32.8200

to its U.S. counterpart.

At the Bali meeting, Mr. Shu promised to pump \$1.2 billion through Taiwanese bank branches to make loans to cash-strapped businesses in Southeast Asia that have been rocked in recent months by currency and credit turmoil.

Armed with \$83.5 billion in currency reserves, the central bank was able to spend billions of dollars to defend the Taiwan currency and make it more difficult for speculators to target it.

Two years ago, Mr. Shu and other bank officials addressed the kind of faulty banking practices that have gotten other Asian countries in trouble, leaving Taiwan with a healthy banking system and limited bad debts. (AP, Bloomberg, Reuters)

Hopewell Trims Ambitions  
As S&P Cuts Bond Rating

Reuters

HONG KONG — Hopewell Holdings Ltd., derailed in Thailand and thwarted in Indonesia, was downgraded Tuesday by Standard & Poor's Corp., and its chief, Gordon Wu, said the company was not making any more big plans for the time being.

The credit-rating concern cut Hopewell's bond rating to BB from BBB-minus, a drop of two grades to what is essentially junk-bond status, citing "deterioration" in Hopewell's business environment.

"Basically, we are now in consolidation mode," Mr. Wu, Hopewell's managing director, said. "We did our last expansion in the early '90s."

Standard & Poor's said that events beyond Hopewell's control, particularly regional currency instability and additional debt-service obligations, had increased business risk and reduced its financial flexibility.

In an assessment that may be repeated in the case of several more Hong Kong companies, the agency added that regional currency instability had damaged the Hong Kong property market and generally made asset sales, a source of strength in the past, less reliable as a source of financial flexibility.

It may be difficult to imagine Mr. Wu, Hong Kong's legendary engineer of grand visions, retrenching, but that is what he says he is doing.

Mr. Wu, who mesmerized institutional investors with his plans for infrastructure development in China when Deng Xiaoping opened the door to foreign investment in the 1980s, later undertook huge projects in Thailand, Indonesia, the Philippines and South Asia.

In mid-January, however, the Indonesian government announced it was canceling 12 infrastructure development projects, and the company received a letter from Thailand confirming cancellation of its \$3.2 billion concession on a Bangkok railway project after six months of inactivity.

Mr. Wu still has plans for a commercial complex in Hong Kong's Wanchai district and is pushing to get permission for Hong Kong vehicles to drive unrestricted into China on Hopewell's Guangzhou-Shenzhen superhighway.

But he has washed his hands of grand plans for a bridge connecting Hong Kong with Macau and for power plants in India, Pakistan and Bangladesh.

Hopewell is holding on to its Tanjung Lela power-plant project in Indonesia despite the wild gyrations of that country's currency, the rupiah, and Mr. Wu aims to assist Tung Chee-hwa, the chief executive of Hong Kong, in his drive to build 85,000 homes a year in Hong Kong to ease housing shortages.

But funds may be tight for a while. "We will have to sweat it out for another 51 months," Mr. Wu said.

Top Japan Banker  
Rules Out Quitting

Reuters

TOKYO — The chairman of the Federation of Bankers' Associations of Japan, Satoru Kishi, left, said Tuesday he would not resign over a bribery scandal involving bank inspectors at the Ministry of Finance. Mr. Kishi is president of Bank of Tokyo-Mitsubishi Ltd., which was implicated in the investigation Monday. "We are very sorry for causing trouble and are taking the situation seriously," he said.

Samsung Unveils Car Line  
As Seoul Seeks Leaner Chaebol

Compiled by Our Staff From Dispatches

SEOUL — Samsung Motors Inc. launched its first line of car models Tuesday and said it expected to conclude talks with Ford Motor Co. about an injection of capital by September.

"We are seeking capital participation by Ford," said Lim Kyung Choon, chairman of Samsung Motors.

Samsung Motors, a unit of Samsung Group, unveiled four models Tuesday based on Nissan Motor Co.'s Maxima sedans. Nissan worked with Samsung to develop the models, which will sell beginning in March at prices ranging from 14.4 million won (\$8,860) to 28.85 million won.

The company's plans come as the government warned conglomerates,

or chaebol, to slim down to five or six core units and spin off the others.

"Businessmen who make profits will be treated as patriots, but those who cannot should be weeded out to lessen the burden on the people," President-elect Kim Dae Jung said.

Meanwhile, the International Monetary Fund on Tuesday approved the disbursement of a further \$2 billion in rescue funds for South Korea, the Finance Ministry said.

The disbursement was the fifth tranche of \$21 billion in IMF loans pledged as the core of a \$57 billion loan arranged in December.

Despite the IMF's help and government pledges of reform, foreign investors are still bailing out of the country and domestic companies are struggling to repay debt.

(Reuters, AFP)

## Computer Crimestoppers Look for Clues in Reuters Case

By Sharon Walsh  
and Robert O'Harrow Jr.  
Washington Post Service

NEW YORK — The U.S. federal investigation of whether individuals connected with Reuters Holdings PLC stole proprietary data from its arch rival news service, Bloomberg LP, has sounded a new alarm on computer crime.

Prosecutors are looking into whether Reuters Analytics Inc., a subsidiary of Reuters in Stamford, Connecticut, induced a consultant to provide information to Reuters that is available to Bloomberg subscribers, in violation of the subscription agreement with Bloomberg.

The Reuters investigation illus-

trates a looming problem for companies rushing to make information available on the World Wide Web and other easily accessible computer networks. Competitors can analyze vast amounts of data they get from computers to discern patterns, long-term plans and even analytical models of companies. And because U.S. companies spend much more on research and development than foreign firms, such information is a prime target for international spies.

Some experts fear the use of computers by white-collar criminals will mushroom in the coming years.

"The big spectacular crimes haven't been committed yet," said Bruce Schneier, president of Min-

neapolis-based Counterpane Systems, which provides computer security for many large companies. "We haven't seen terrorism attack the computer network or people blowing up brokers' terminals or putting in a virus so they give the wrong information."

Recent instances of white-collar crimes using computers include:

• A software engineer working for a subcontractor to Intel Corp. was convicted of illegally downloading secret data about the computer giant's plans for the Pentium processor that was worth from \$10 million to \$20 million. Authorities said the engineer, William Gaed, also videotaped information on his computer screen and planned to sell the tapes

to a competitor. Mr. Gaed was sentenced to 33 months in prison.

• A Manhattan man was charged in November with sabotaging the computer network of Forbes Inc., the magazine publisher. The man, a former Forbes computer technician, allegedly caused a massive crash of the company's computer network, resulting in damages of more than \$100,000.

• Last year, a California man stole 100,000 names, logons, credit card numbers and other data from Internet service providers in the San Diego area, the authorities said. Using a computer at the University of San Francisco, Carlos Salgado Jr. encoded the information and offered it for sale on the Internet. He was

caught in an FBI sting operation and was sentenced to 30 months in prison last month.

Law enforcement officials are watching the Reuters investigation closely, in part to see if it is a rare instance in which company officials participated in or condoned corporate espionage. Corporate spying is usually the work of individuals.

Software developers, responding to the wishes of corporate customers, also sometimes cut corners on security measures to keep costs down, said Donn Parker, a security specialist at SRJ Consulting in Menlo Park, California. He added that companies also want to make computer systems as easy to use as possible for employees.

## SPY: High-Tech Espionage Is Booming as the Nightmare of the Information Age

Continued from Page 1

China, Japan, France and other countries.

"We're seeing more and more cases," said William Perez, acting chief of the FBI's financial crimes unit. "A country like the United States is a very juicy target" because of the prominence of its high-technology companies, he said.

The Internet arouses the greatest fear because it gives skilled hackers the possibility of entering untold databases with anonymity, often from far-off locations where there are no statutes against computer crime.

In 1994, a group of Russian hackers stole codes and passwords from corporate customers of Citibank and transferred \$10 million to overseas accounts. Six Russians were extradited and pleaded guilty to computer fraud in federal court in New York. Citibank said it recovered all but \$400,000 of the money.

"The fundamental change is networking," said Mike McConnell, former head of U.S. military intelligence during the Gulf War who is in charge of business intelligence at the consulting firm of Booz, Allen & Hamilton. "Everyone is riding the same physical lines."

Mr. McConnell advises companies to erect a network of defenses including data encryption, use of hard-to-crack passwords and monitored firewalls to separate publicly accessible Web sites from sensitive internal databases. Citibank, for example, reacted by requiring its corporate customers to encrypt their on-line funds transfer requests and to replace their chosen passwords with passwords created by a computer-chip card.

In spite of the Internet's fearsome potential, the biggest source of espionage involves an inside source — a disgruntled employee, a consultant or contract worker or even a

planted worker. The insider "is the one who has the most knowledge of the system, and the most access," said Mr. Perez of the FBI.

Last year, two representatives of Yuen Fong Paper Co. of Taiwan met with an information broker and a scientist from Bristol-Myers Squibb Co. in an alleged attempt to obtain confidential data about the pharmaceutical company's top-selling cancer drug, Taxol. FBI agents videotaped the meeting and arrested the two representatives, who are currently being tried in U.S. federal court in Philadelphia.

Corporate espionage is not confined to the United States. In late 1995, the British-Norwegian engineering group Kvaerner decided to close the office of its British subsidiary Davy International in Poole, England, only to see an Austrian rival, VAI GmbH, open a Poole office and recruit several former Davy executives.

Kvaerner's suspicions of foul play deepened when it lost a contract for £1 billion (\$1.64 billion) to build a steel plant in Saudi Arabia to VAI in April 1996. The company obtained a court order and found more than 2,000 Davy documents at VAI's office. In August, Britain's High Court

found VAI guilty of contempt and fined it £125,000 for destroying documents in the case. Kvaerner also is seeking civil damages in a case expected to be decided next year.

Law-enforcement and security experts say many companies have become vulnerable to theft by relying on consultants, contract workers or outside companies to maintain and operate their computers.

"You wouldn't leave your child with him, you wouldn't give him the keys to your house," Mr. Blaksley said. "But you let him into the epicenter of the business — at night."

## INDONESIA: Suharto Dismisses Head of Central Bank

Continued from Page 1

Mr. Suharto, Siti Hardjanti Rukmana, known as "Tutut," are the main backers of the idea of a Hong Kong-style "currency board" that would strip the central bank of its power to control monetary policy and peg the rupiah to the dollar.

Some analysts have seen the currency-board idea simply as a vindictive effort on the part of the Suharto children to wrest economic policy from the central bank.

"Sudradjat had become a voice of independence," said Eugene Galbraith, the global research director for ABN-AMRO Asia Ltd. in Hong Kong and a specialist on Indonesia. "I think this is childish and simple vindictiveness," he said of Mr. Sudradjat's firing.

Analysts said it was unusual for Mr. Suharto to change a top official before the end of a term. The entire government lineup is expected to change next month after Mr. Suharto is re-elected by a consultative assembly to his seventh five-year term as president. Mr. Suharto could have

waited three more weeks to replace the central bank governor as part of a normal cabinet reshuffle, they said.

To remove him now, analysts said, indicated Mr. Suharto's extreme displeasure with the central bank chief and with the bank's inability to halt the plunge of the currency. The currency ended in local trading at 9,400 to the U.S. dollar Tuesday. Before the currency crisis hit in mid-1997, a dollar only bought about 2,300 rupiah.

Analysts said Mr. Suharto's action also indicated a victory of the so-called economic nationalists and the powerful Suharto children over the Western-educated technocrats who have been in charge of economic policy.

The currency-board idea has exposed that fissure. Most technocrats, including officials in the Finance Ministry, oppose the idea, preferring instead to follow the IMF prescriptions, including breaking up some of the country's monopoly interests — which would directly affect the Suharto children's businesses — and ending subsidies to pet projects.

But those pushing the idea of a currency board and a rupiah peg to the dollar say that the IMF package has so far failed to reverse Indonesia's economic decline and is imposing conditions that are too stringent while opening up the country to foreign domination.

As the currency has continued to weaken against the dollar, Mr. Suharto has apparently lost patience and now appears to be siding with his children and others in the economic-nationalist camp arguing for a quick fix to the country's mounting problems.

Another sign of the ascendancy of the nationalist camp has been the emergence this week of the research and technology minister, B.J. Habibie, as the leading candidate to be the country's next vice president and likely successor to the 76-year-old Mr. Suharto. Mr. Habibie is known for his advocacy of costly megaprojects, such as a domestic aircraft industry, designed to pull forth Indonesia into the ranks of developed countries through high-technology ventures.

## Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
15500	2000	19000
14000	1800	18000
12500	1600	17000
11000	1400	16000
9500	1200	15000
8000	1000	14000
1997	1997	1997
Exchange Index	Tuesday Close	Prev. Close
Hong Kong Hang Seng	10,232.03	10,124.03
Singapore Straits Times	1,496.90	1,481.56
Sydney All Ordinaries	2,857.90	2,821.20
Tokyo Nikkei 225	16,790.71	16,775.52
Kuala Lumpur Composite	690.83	661.94
Bangkok SET	502.53	484.06
Seoul Composite Index	471.73	476.36
Taipei Stock Market Index	8,782.09	8,708.29
Manila PSE	2,059.58	2,022.73
Jakarta Composite Index	472.21	457.71
Wellington NZSE-40	2,296.99	2,290.39
Bombay Sensitive Index	3,413.36	3,449.77

Source: Telekurs International Herald Tribune

## Very briefly:

• China International Trust & Investment Corp., Beijing's flagship investment vehicle, had an operating profit of 2.85 billion yuan (\$344 million) in 1997, up 15 percent from a year earlier, the state-run newspaper People's Daily said. Including extraordinary items such as asset sales, CITIC's total profit for the year was 11.2 billion yuan.

• Hong Leong Properties Bhd., a Malaysian property developer, said net profit for the six months ended Dec. 31 dropped 55 percent, to 36.5 million ringgit (\$9.5 million).

• Vietnam tightened regulations for companies with foreign-currency revenue and said all surplus amounts would have to be changed into nonconvertible dong. The move came a day after Vietnam devalued its currency by 5 percent.

• LG Chemical Ltd. of South Korea signed a memorandum of understanding with Dow Chemical Co. to set up a \$250 million joint venture.

• TDK Corp. had record quarterly group sales and profit in the quarter ended in December. TDK, a maker of magnetic tapes, said its group sales rose 16 percent, to a record 190 billion yen (\$1.5 billion), in the quarter. Group net profit grew 42 percent, to a record 18.48 billion yen.

• Mitsubishi Heavy Industries Ltd. cut its forecast for parent-company pretax profit for the current year, ending in March, to 120 billion yen from 160 billion yen. It projects its revenue at 2.7 trillion yen, down from 2.8 trillion yen.

• Crown Ltd., the owner of Australia's highest casino, is considering selling and renting back the property. Crown made the announcement a day after it posted a half-year loss of 39.8 million Australian dollars (\$26.3 million).

• Air New Zealand's net profit for the last six months of 1997 rose 6.9 percent from a year earlier, to 82 million New Zealand dollars (\$48 million).

• Westpac Banking Corp. said its exposure to Asia was 9.5 billion Australian dollars as of the end of last week. On Monday, Standard & Poor's Corp. said it had affirmed Westpac's ratings and said Westpac had an exposure to Asia of 11.4 billion dollars as of Dec. 31.

AP, Bloomberg, Reuters, AFP, AFP

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## WINTER OLYMPICS

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## In Victory, 'Smiling Harada' Weeps - Japan's Ski Jump Hero at Last

By Christopher Clarey  
International Herald Tribune

HAKUBA, Japan — Masahiko Harada was famous for smiling when he lost. On Tuesday, he cried when he won.

Harada, known in Japan and everywhere else that ski jumping matters as "Smiling Harada," was not the only hero of Japan's snow-coated and emotional victory in the Olympic team jumping competition, but he was the hero who took the good news the hardest.

He was in tears as soon as he had jumped 137 meters (450 feet) in the second and final round — to tie the hill record set earlier in the run by his teammate, Takanobu Okabe — sobbing on his teammates' shoulders. And when a broadcast team pointed a camera in his direction for his reaction to the 100th gold medal in Japan's long and not always illustrious Winter and Summer Olympic history, Harada was far beyond words again. He tried his best, but tears were all he could produce.

Outside the Hakuba Ski Jumping Stadium, his fellow citizens did the talking for him.

"All of Japan's people were hoping for success in these Olympics, but they were especially hoping for success in the ski jumping," explained Jiri Lemori, a middle-aged man from Tokyo who braved a snowstorm without a ticket for the chance to get close to something memorable.

Japan's fourth gold medal in these Olympics will be difficult to forget. Heading into the second and final round, the heavily favored Japanese were lying in fourth place, largely because Harada had recorded one of the day's shortest jumps (79.5 meters) and added a few more bones to his closetful of skeletons.

But the second and final round was the equivalent of spring cleaning as Japan got superb performances and two hill records from its four jumpers to leap into first place and win its first Olympic team jumping title with a total of 933 points.

The silver medal went to Germany, the defending Olympic champion, with 897.4 points and the bronze to Austria, the first-round leader, and its new star, Andreas Widhoelzl — who soared to 136.5 meters — with 881.5.

In Lillehammer, Norway, in 1994,

Harada lost his nerve and form on the final jump of the competition. Needing only an average effort, he delivered the shortest jump of the entire competition and Japan settled for silver. He faltered again under pressure on the last jump of the normal hill event here on Feb. 11, blowing his lead and a medal.

After he flopped again in Tuesday's first round in admittedly difficult conditions — heavy snow and poor visibility — Harada was beginning to look like a goat of Olympian proportions.

"After my first jump, I started thinking about Lillehammer again," Harada said later in a news conference, in which he only broke down once. "I honestly thought the same thing could happen again."

But this time, Harada was not the final jumper for his team, even though he had been lobbying the national coach, Manabu Ono, for the honor. Instead, Ono sagely picked Kazuyoshi Funaki, the phenom who won the large hill event on Sunday.

Japan's first jumper of the final round was Okabe, who set the new hill record of 137 meters and immediately put his

nation back in front.

"I jumped beyond my own strength, and there was one person who made me feel I had to do the best," said Okabe, delivering the best backhanded compliment of these Games.

"That was Mr. Harada on the first jump," he said.

After Hiroya Saito had maintained Japan's lead and Harada had seized a piece of his younger teammate's new hill record, the final cycle of jumpers began. The Japanese jumped in 13th position all day, which was ominous stuff to Americans but not to them — 13 has no negative connotations here. When Funaki finally took flight in the heavy snow that had delayed the start of the event by 30 minutes, he needed only 90.4 points to give Japan a piece of the gold.

With his ski tips practically behind his ears, the 22-year-old from Sapporo did much better than that.

After his 126-point final effort, Japan's margin of victory was more than 35 points, and when the results flashed on the board, Funaki fell backward into the snow as his teammates dashed toward him and the crowd of about

40,000 Japanese in attendance set their own hill record for volume.

"The pressure was not tangible on the second jump, but I felt overwhelmed," Funaki said. "It was incredibly heavy."

In the 15 previous Winter Olympics to which Japan sent a team, it won a total of three gold medals. In Nagano it has exceeded that total in just 10 days, getting victories from the team and Funaki in ski jumping, from Hiroyasu Shimizu in the men's 500-meter speed skating event and, most surprisingly, from Tetsuya Satoya in the women's moguls.

As of Tuesday morning, their four golds put them ahead of such traditionally successful winter nations as Austria, the Netherlands, Finland, Switzerland, France, Italy and the United States.

That Japan should overachieve is no shock. Olympic host nations often improve their medal counts. France won three golds and nine medals in Albertville in 1992 after winning one gold and one bronze in 1988. Norway went from an already impressive nine golds and 20 medals in 1992 to an even more impressive 10 golds and 26 medals in 1994 in Lillehammer. The only recent case of

a winter host freezing came in 1988 in Calgary, where the Canadians did not win a single gold.

But with five days remaining, the Japanese already have saved face and surpassed expectations, which were legitimately high in the nation's two best winter events of speed skating and ski jumping.

Japan as an unusual structure for many of its top winter athletes. As in professional life here, the corporation is often at the heart of the matter. Top speed skaters and ski jumpers, for example, often hold occasional jobs in companies, which recruit them after they complete their studies and give them salaries that usually permit them to train full-time. This was Japan's fourth gold medal of the Games. Four is the unlucky number in Japan — the word for four here, shi, also means death — but Jiri Lemori did not seem very concerned about his own nation's impending misfortune as he celebrated outside Hakuba Ski Jumping Stadium.

"The Americans only have two gold medals?" he said. "Really? Only two?"

## It's 'a Revolution,' As Speed Skaters Shatter Records

By Ira Berkow  
New York Times Service

NAGANO, Japan — On the eve of the men's 10,000-meter Olympic speed skating race Tuesday, the defending champion and world-record holder, the retired Boss Koss — or, according to his driver's license, Johann Olav Koss — made a prediction. "I think Gianni Romme will almost have to break his leg not to win," said Koss, who was calling the race here

## SPEED SKATING

here for an Australian television station. He also prognosticated that Romme would break his own record of 13 minutes, 30.55 seconds, set in the 1994 Winter Games in Norway, Koss's homeland.

Koss is now a medical student in Brisbane, Australia, a year-and-a-half away from completing his studies.

Gianni Petrus Cornelis Romme, a strapping 6-foot, 2.5-inch (1.9-meter), 195-pound (88-kilogram) Dutchman, not only won the race, but indeed broke Koss's record with a time of 13 minutes, 15.33 seconds — a stupendous 15.22 seconds better than Koss's mark.

Not only that, but the man Romme was paired with, fellow Dutchman Bob De Jong — each of the 16 contestants in the race went off in pairs over the 400-meter oval — decided that two can play this record-shattering game, and swept across the finish line in 2:25.76, 10.43 seconds behind Romme.

That was five seconds ahead of Koss's 1994 record. Koss, who was seated in the broadcast booth, thrust his fist in the air in a gracious gesture of congratulations to both the gold and silver medalists.

Rintje Ritsma, yet a third Dutchman, took the bronze medal and surpassed Koss's record, with a time of 13:19.19. Barteld Kerkhove of Belgium also broke Koss's record, but he could only muster a 13:29.69, and was relegated to fourth place.

"This is great," said Koss. "We've seen some of most fantastic races in history."

He seemed kind to a fault, especially since his sport has seen a remarkable technological advancement in the last

few years — the clap skate, which allows the skater to lift off the heel from the blade while taking a stride.

"We're seeing a revolution in the sport," said Koss. "And you don't compare old time with new times. The skaters today look exactly the same, except they go faster."

Romme agreed that one should not compare the new skates with, as he termed them, "normal skates."

"But," he said, "there is a new dimension to the sport. In years to come, skaters will be even faster. This is only the beginning."

There was some concern among skating aficionados that the clap skate would not only turn results in their head, but it would also affect the aesthetics.

"I don't want to see technology take away from the quiet and fine coordination, which is the special beauty of speed skating," said Gerard Kewkers, a coach for the United States national speed skating team.

The grace and beauty is still there — a difference of 15 seconds over a period of 13-plus minutes hardly seems a crucial change in those elements. Just the sound of the skates is slightly different now.

In Lillehammer, Norway, in 1994, Koss won three gold medals and set world records in the 1500-meter race, the 5,000 meters and the 10,000 meters.

In the first two of those events, his world record had been broken prior to the Olympics. Romme broke it last December in a World Cup event. Each of 5,000-meter medalists in these Games, including Romme, broke his record.

Koss's 1,500-meter record was toppled two years ago. The last to surpass it, Aasne Sordal of Norway, did it last Thursday, to win the gold.

All of those record breakers have worn clap skates.

Romme's previous best in the 10,000 was 13:46.44, so he wiped that out by more than 31 seconds.

The best American finish in the 10,000 meters was by K. C. Boutiette of the United States, who came in at 13:44.03, setting a record for Americans. Boutiette also wears the new clap skates.



Chae Ji Hoon of South Korea, right foreground, falling and creating a pileup in the semifinal Tuesday of the men's 1,000-meter short-track speed skating. Andrew Gabel, an American, came from behind to win the race.

## In This Korean War, Someone Won

## South Holds Off China as North and U.S. Fade in Women's Semifinal

By Kevin Sullivan  
Washington Post Service

NAGANO, Japan — The four main adversaries in the Korean War of 1950-1953 battled again Tuesday night, 45 years after the cease-fire, and the Americans got blown away.

North Korea, South Korea, China and the United States raced head-to-head in short-track speed skating, an Olympic

## SHORT-TRACK SPEED SKATING

sport that is part roller derby and part rugby — a confusing clash of 16 tough women in helmets slicing around a small rink and speeding each other along with good stiff shoves.

Olympic historians say it was a first: Never before had those four nations faced off in a single competition.

The event was a semifinal of the women's 3,000-meter relay, a four-minute sprint between four teams of four skaters each who push and lean and fight for position while sprinting on skates.

Unlike the Korean War, which was fought essentially to a stalemate with China and North Korea on one side and the United States and South Korea on the other, this race had a winner.

South Korea won big, and China finished second, more than a full lap ahead of the last-place Americans. The North Koreans, who invaded the South in June 1950, were not much of a factor this time, finishing a harmless third.

Just seeing athletes from those four countries on the ice together, racing

shoulder to shoulder with thousands of supporters cheering, brought out the dreamer in everyone.

"It's a coincidence, but it's symbolic: Let's make peace," said Choe Kwan Ik, a spokesman for the Chosen Soren, an influential organization of North Koreans in Japan.

"We are fellow countrymen, sharing the tragedies and victories of the past, regardless of political systems," Choe said. "We share the same blood, the same culture."

Chun Kun Ho, a telecommunications executive from Seoul, was 2 years old when North Korean guerrillas killed his father in July 1950, a month after the war started. On Tuesday night, he sat with a large group of South Koreans, many waving both the South Korean and North Korean flags. In South Korea that could be a felony under South Korea's strict laws against supporting the North.

But to Chun, it seemed only natural: "I am really sorry that Korea is still the only country to be divided after the war. It is political; the people themselves don't feel they are enemies. I wish we could be one team."

The four nations that competed Tuesday do not do much of anything together. It took more than two years to get them to hold talks last December about formally ending the Korean War, which is still technically on because it ended with a cease-fire and not a peace treaty.

On Tuesday, China and South Korea went ahead from the start; the North Koreans faded, and the Americans were never a factor.

Short-track speed skating is vastly different from the long-track event. The longer track is about 122 meters (400 feet) long, and skaters cruise at nearly 65 kilometers (40 miles) per hour.

The short track is only 110 meters around. Skaters wear helmets and padded gloves because of the bumping and collisions in a sport known for its unpredictable and often chaotic nature. In the relay, the clock is not a factor: The first team across the finish line wins.

For many Koreans, from North and from South, it didn't seem to matter which team that was.

"This is not political; we're here to have fun," said S. J. Kim, an executive from Samsung who was leading a delegation of about 100 customers to the Olympics.

"We are from the same blood, so we might as well root for each other."

## ■ South Korea Wins Final

In the final of the relay, South Korea, the defending Olympic champion, edged China as both broke the world record. The Associated Press reported.

South Korea won in 4 minutes, 16.26 seconds to China's 4:16.383. Canada, the 1992 gold medalist, took the bronze in 4:21.205.

In the men's 1,000 meters, Kim Dong-Sung, the 1997 world champion from South Korea, trailed most of the race but took his skis off the ice at the finish line to edge Li Jiajin of China.

Kim was timed at 1:32.375 seconds to Li's 1:32.428. Eric Bedard of Canada was third in 1:32.661.

## Germans Rejoice After Sweeping Women's Event

By Bob Baum  
The Associated Press

HAKUBA, Japan — Under a cascade of snowflakes that fell like confetti, Katja Seizinger and her German teammates rejoiced on a mountainside far from home, hugging and waving their skis and hurling bouquets to cheering spectators.

Seizinger won her second gold medal in as many days, but there was far more

## ALPINE SKIING

for her and her teammates to celebrate: Her nation had won its first sweep in an Olympic Alpine skiing event.

"That's why the joy," Seizinger said after leading the sweep Tuesday of the women's combined event.

"The head coach was nearly crying. It's such an unbelievable feeling. Four years ago, we saw the Norwegians do it" in the men's combined, "and now we are in the same position. You can't describe this feeling."

"Three Germans on the podium. It's unbelievable," said Martina Ertl, the silver medalist.

When the favorite in the event, Pernilla Wiberg of Sweden, slipped and fell five gates from the finish of the first of the day's two combined slalom runs, the way was cleared for the Germans.

"Sometimes," Seizinger said, "you need a little luck."

The snow Tuesday caused no problem for the short slalom race, though it fell in a thick, constant curtain through the two runs.

After Olympic organizers crammed three weather-delayed races into Monday's program, the Alpine competition is back on schedule.

The scene now shifts to Shiga Kogen 110 kilometers (70 miles) away for the giant slalom and slalom races. There, the incomparable Alberto Tomba of Italy will try to win a medal for an unprecedented fourth Olympics.

Seizinger, who had a 34-second lead over the second-place Wiberg after the combined downhill Monday, won the gold with an overall time of 2 minutes, 40.74 seconds.

Ertl, a favorite for the women's giant slalom Friday, was 18 behind the winner. Hilde Gerg overtook Stefanie Schuster of Austria on the final slalom run to take the bronze, her first Olympic medal, in 2:41.50.

Seizinger, whose first Olympic gold came in the 1994 downhill, won the downhill again Monday. Her combined victory 24 hours later made her the second woman ever to win three golds in Olympic Alpine skiing. Vreni Schneider of Switzerland won the slalom in 1988 and 1994 and the giant slalom in 1988.

But it was the German sweep, only the fourth by any country in Olympic Alpine skiing, that ignited the wild celebration.

First, there were hugs with the coaches. On the victory stand, all three medalists thrust their skis into the air in jubilation, then hugged each other just before they were presented with flowers.

Afterward, they jumped off the stand and dashed toward the cheering crowd. Seizinger and Ertl hurled their bouquets to the spectators, many of them waving German flags. Gerg chose to go to the volunteers, throwing her flowers to them in a gesture of thanks.

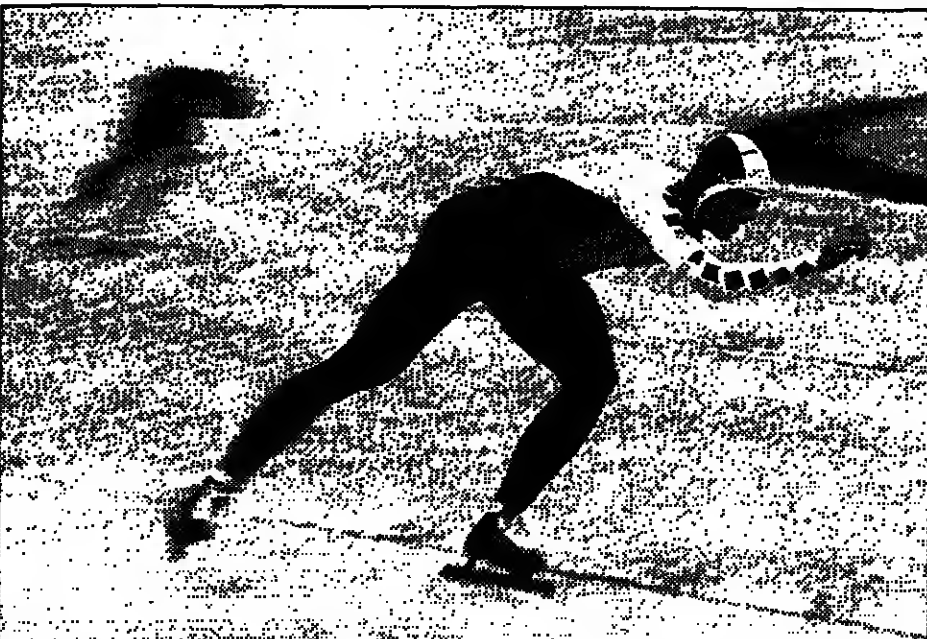
Wiberg, the silver medalist in the downhill Monday, gold medalist in the 1994 combined and gold medalist in the 1992 giant slalom, was the first down the slalom run, which was set on the steep lower face of Olympic Course I, site of the men's downhill.

Five gates from the finish, at the end of a series of quick turns, her skis sailed out from under her and she fell.

"I straddled a gate; that's a normal mistake in slalom," she said. "When I came down, I saw the finish line too early maybe."

While Wiberg had the bad luck, Seizinger has everything going for her after starting her Olympic experience in Nagano slowly with a disappointing sixth in the Super-G last week.

She will race in the giant slalom Friday giant slalom, but is not sure about the slalom on Thursday.



Rintje Ritsma of the Netherlands skating to bronze in the men's 10,000 meters.

## Fog Stops Men's 10-Kilometer Race

The Associated Press

NOZAWA ONSSEN, Japan — Barely able to see through the fog, the biathletes skied through swirling, slushy snow to the firing line. There they fumbled with their rifles and took uncertain aim at the small targets 50 meters away.

Finally, after 39 1/2 minutes, a range official threw up his hands and called off the

## BIATHLON

10-kilometer sprint — the first time since 1972 an Olympic biathlon competition had been halted by bad weather.

One strong medal contender, Frode Andresen of Norway, had missed four of five targets during his first shooting.

The race will be restarted Wednesday. Heavy snowfall had earlier marred the women's 15-kilometer sprint at this ski resort known for its rapidly changing weather.

"Point No. 1 is to have equal conditions for all athletes," said Yanez Vodcar, chairman of the technical delegation for the Inter-

national Biathlon Union. He said fog density at the shooting range varied too much to give all an even chance of hitting the targets.

Sixteen of the 73 competitors had crossed the finish line when officials deemed that conditions had deteriorated too much.

Vodcar, a former biathlete and coach, said that 24 hours would be enough for those who had skied the full 10 kilometers to regain their strength. Biathletes are regarded as among the most aerobically fit of winter sportsmen, having to switch quickly from power skiing to total composure for the shooting.

Officials said the last time a halt was called to an Olympic biathlon was at the 1972 games in Sapporo, Japan, when the men's 20-kilometer race was stopped early in the contest.

In the 10-kilometer race, competitors carry 22-caliber rifles and 10 rounds of ammunition. They stop twice to fire at five targets, once in a prone position and once while standing. A 150-meter penalty loop is skied for each missed shot.



Katja Seizinger, center, celebrating Tuesday with her German teammates Martina Ertl, left, and Hilde Gerg.

A Moment  
Of History  
On the Ice  
U.S. Women's Team  
Makes First-Ever Gold  
Beating Canada, 3-1By Robert...  
The Associated Press

The U.S. women's ice hockey team made history on Tuesday, winning its first Olympic gold medal by defeating Canada 3-1 in the final game of the tournament.

The victory came in a game that was filled with drama and excitement. The U.S. team, led by captain Angela Rasmussen, overcame a 2-0 deficit in the second period to secure the win.

The gold medal game was held at the Nagano Ice Arena, where the U.S. team played its home games.

The U.S. team's victory was a historic moment for American women's ice hockey.

The team's coach, Peter DePoe, praised his players for their resilience and teamwork.

The U.S. team's gold medal win was a testament to their hard work and dedication throughout the tournament.

The victory also marked a significant milestone for the U.S. women's ice hockey program.

The U.S. team's gold medal win was a source of pride for the entire country.

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## WINTER OLYMPICS

## A Moment Of History On the Ice

U.S. Women's Team Takes First-Ever Gold, Beating Canada, 3-1

By Rachel Alexander  
Washington Post Service

NAGANO, Japan — Karyn Bye was standing there Tuesday, in the middle of the ice, with the rest of her teammates jumping wildly around her. The United States had just become the first ever Olympic gold medalists in women's hockey with a 3-1 victory over Canada, and the American flag that has hung in Bye's room since her junior year of high school was wrapped around her shoulders like a hug.

The scene at Big Hat was spectacular, so much like the end of a stirring movie, that the 8,626 fans in attendance kept their eyes peeled, waiting for the credits to roll. Only this time it was real.

The United States had beaten the favored Canadians, the four-time defending world champions, in the most important women's hockey game ever played. Bitter rivals but partners in history, the two teams sparred throughout

## WOMEN'S ICE HOCKEY

the game, with the Americans taking a 2-0 lead before the Canadians stormed back in the third period to tighten the gap to 2-1. But with less than a minute to go and the Canadian goaltender on the bench, forward Sandra Whyte slipped down the left side of the ice and took a long shot into Canada's empty goal. By the time the puck reached the back of the netting, the victory was the Americans', and their lives had changed forever.

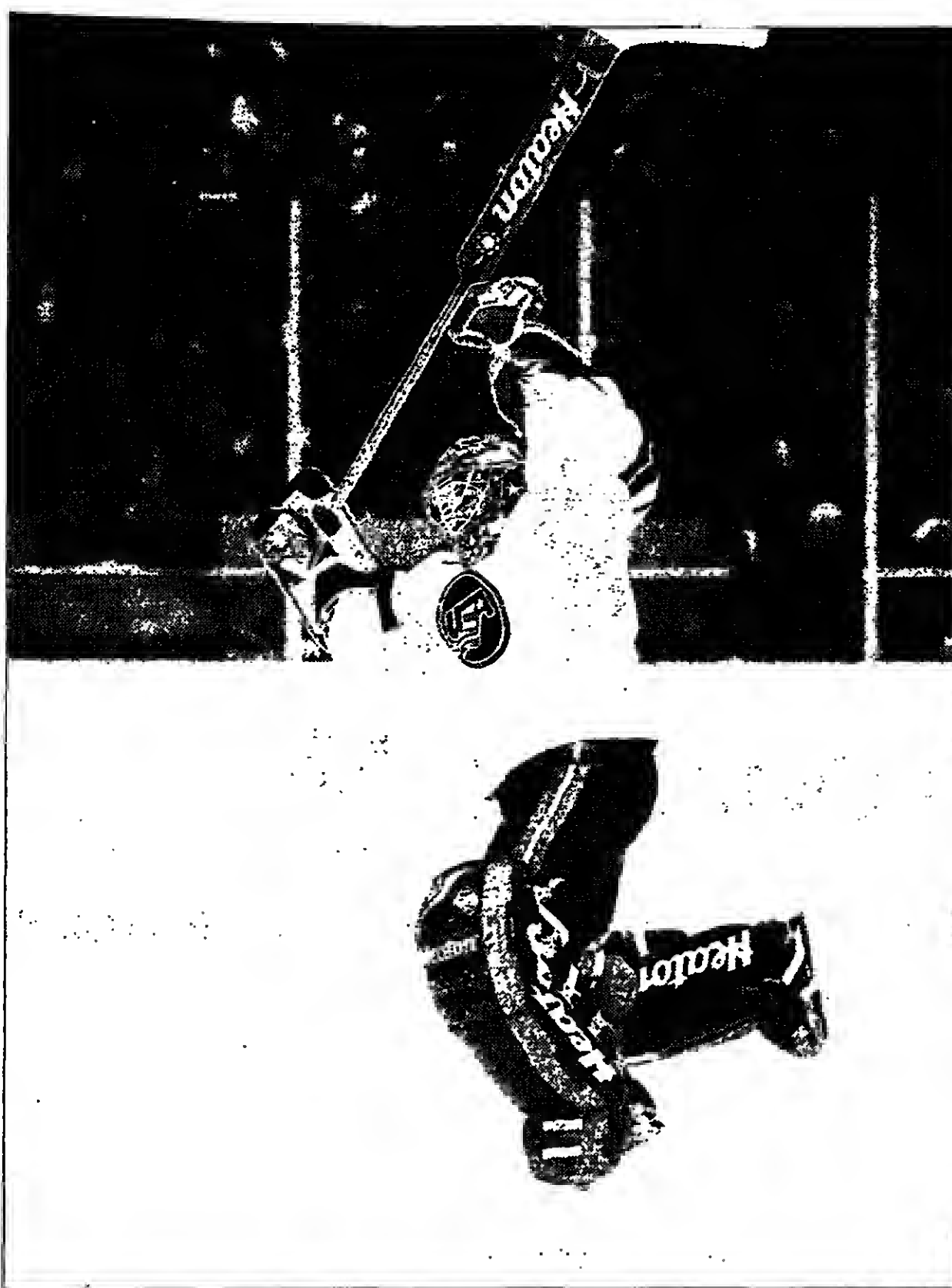
"We do not have a National Hockey League for women's hockey, so this was our chance, maybe for a lifetime, to show how great hockey can be," said Sue Merz, an American defenseman. "I've seen the 'Miracle on Ice' of Team USA in 1980 on TV, and I had the memory of that moment in the back of my head when we went out on the ice for this gold medal game."

This game did not have the global political implications of the Miracle on Ice, and the women of the U.S. team are not the unknowns that the 1980 teammates Jim Craig, Mike Eruzione and Bill Baker were. But Tuesday's game had a significance of its own, and every player on the ice knew it. Each had been told at least once in her life that she couldn't play, and many remember scraping by for years on boys' teams because there was nowhere else to go. Women have been competing in world championships only since 1991, and getting their sport full-medal status at these Olympics was an uphill battle.

That may be why, win or lose, everyone seemed transfixed when an International Olympic Committee member, Anita DeFranz, stepped toward the U.S. captain, Cammi Granato, at the beginning of the medal ceremony. Granato, aware she was about to receive the sport's first Olympic gold medal, began gulping for breath, her shoulders heaving. After DeFranz placed the precious disc around her neck, Granato looked up and buried her face in her hands.

"It was a real empty feeling to lose," said the Canada coach, Shannon Miller. "But when they showed Cammi Granato's face on the big screen and the medal around her neck, my feelings changed completely. I realized a gold medal was being hung around the neck of a female hockey player, and I couldn't believe the effect it had on me."

Until then, Miller and the Canadian players had been a collection of emotional wrecks, shocked into submission by the enormity of what had just happened to them. Canada has won every major game played in women's



Sarah Tueting, the United States goalie, jumping for joy at the end of the women's hockey final on Tuesday.

ice hockey in the last decade. The United States had vastly improved over the last five years, although the Canadians edged the Americans, 7-6, in a 13-game exhibition series leading up to the Olympics. There was still the overwhelming feeling, shared with the Canadian men's team, that hockey was their game, their religion.

That feeling began to slip slightly on Saturday, when the United States came from behind with six unanswered goals to defeat Canada, 7-4, in a round-robin game. The animosity between the teams also grew that night, when players exchanged words and accusations after the post-game handshakes.

But that game played after the participants of the gold medal game were already determined, didn't mean much. Tuesday's game did, and the Canadians knew it.

Less than a minute after the final buzzer sounded, they lined up on the blue line near their bench, their helmets still on and their sticks in their hands. At the time, the Americans were still piling off their bench and into a big heap near the center of the ice, one player's tears melting into another's. With gloves and sticks tossed about the ice like litter and bodies flying into each other in congratulations, the U.S. side of the rink looked like a fraternity party. The Canadian side looked like a funeral.

"Our hearts definitely went out to them, but there have been so many times before when we've been on that side of it with the silver medal," Granato said.

"The last time they won at the World Championships, I looked over to Lisa Brown-Miller and said, 'are we ever going to do this?'"

They listened to the "Star-Spangled Banner" on Tuesday. Time and time again, conversations and thoughts went back to the Miracle on Ice, which many of these players saw at the young, impressionable ages where dreams roam.

Victoria Movsessian remembers going into her second-grade class the following week and telling all her friends she was the sick girl for the U.S. team, just because she had pretended it so often she thought it might be true.

Bye remembers playing floor hockey with her brother in the basement and doing the fake announcer voice as she wound up to shoot.



HEAT BUILDS FOR ICE SKATERS — Tara Lipinski, the American figure skater, using a rink wall to stretch Tuesday while she watched other skaters during a practice in Nagano, Japan.

## An Olympic Dream Rests With U.S. Skater

Gold Medal for Kwan Could End Coach's 38 Years of Frustrations

By Jere Longman  
New York Times Service

NAGANO, Japan — He has coached figure skating for 38 years, becoming more familiar than he ever wanted with great expectation and heartbreak letdown.

Finally, at 59, Frank Carroll may win his Olympic gold medal with Michelle Kwan.

He coached Linda Fratianne when she lost the gold medal in 1980, in what many believe was an outcome rigged by

## FIGURE SKATING

Cold War shenanigans. And he coached Christopher Bowman, whose immense talent was squandered by alcohol and drugs.

With Kwan, he does not have to worry about bloc voting or personal indiscretion. At 17, she is the most sophisticated and complete female skater in the world; if she skates her best in the short program Wednesday and the free skate Friday, she will win.

"Only Michelle can lose," said Carol Heiss-Jenkins, the 1960 Olympic champion from the United States.

Carroll has coached her in Lake Arrowhead, California, for five years.

When Kwan answers questions, she often looks to him for security and affirmation.

They often finish each other's sentences. At the recent national championships, Carroll said, "We don't think about gold," to which Kwan responded, "We dream about gold."

If Carroll does not allow himself to think too much about gold, it stems from the disappointment of the 1980 Winter Games in Lake Placid, New York. Fratianne was the defending world champion, but she finished third in compulsory figures and could climb no higher than the silver medal despite winning the short program and long program.

After Carroll's vehement complaints, the figure-eight tracings of compulsory figures were reduced in importance and finally eliminated in 1990. But that hardly soothed his indignation about Fratianne's defeat. To this day, Carroll and others believe that five German-speaking judges conspired to award the women's competition to Anett Poetsch of the then East Germany and the men's competition to Robin Cousins of Britain.

Cousins was coached by Carlo Fassi of Italy, a man famous and infamous for his wheeling and dealing. Fassi, who has since died, denied any jury tampering, but for years he and Carroll did not speak. Fearing that the voting would be rigged, Carroll said he even threatened to pull Fratianne out of the Lake Placid competition.

"I'm very bitter about that," said Carroll, who is otherwise an affable man. "I probably wanted to retire. It was difficult to keep going. I felt it was a done deal before it started."

The shattering defeat "killed" Fratianne, and she could not bear to look at her silver medal for 15 years, Carroll said.

Linda Fratianne thought she had let her country down and thought she was a failure," Carroll said. Finally, in 1995, after her mother died, Fratianne sent Carroll a commemorative pin that had come with her medal, along with a note saying she realized that she had not been a failure, he said.

"It's a sad story, but it's nice to know that she could come out of that and acknowledge she was a wonderful skater," Carroll said.

If Kwan does not win a gold medal here, Carroll said he hoped she would not suffer the same debilitating blow to

her self-esteem. Either way, he said, Kwan is already talking about continuing toward the 2002 Winter Games in Salt Lake City, Utah.

"Is someone's life going to be over because she didn't do a triple lutz?" Carroll said. "A kid's life can't be based on her success here."

He might have already had a gold medalist in Bowman, who is considered by many to be the most talented American figure skater ever. But Bowman's career was ruined by his self-admitted problems with drinking and cocaine.

Bowman finished seventh in the 1988 Calgary Games and kept terrorizing his roommate, Paul Wylie, by coming in late at night, jumping on the bed and screaming, "Good Morning, Vietnam!"

Carroll and Bowman said hello at Skate America last October, but the tension between them remains.

"Are we friends? Would I go to dinner with him? No," Carroll said.

"I don't know if Christopher has straightened himself out. It's not his problem, it's my problem. I'm angry. I gave him a lot of years. I did what I could to help him. If he proves himself clean and sober for a period of time, maybe I can trust him. I can't see having a conversation with someone if you don't believe a word they say."

A native of Worcester, Massachusetts, Carroll began skating on a local pond. Later, as a student at Holy Cross, he would set his alarm for 3:30 A.M., and practice while the university hockey team awaited its morning practice. When he missed a jump, the hockey players booed and hissed; when he completed a flawless routine, they banged their sticks on the boards in approval.

A junior-level medalist at nationals, Carroll turned professional upon graduation in 1960 and joined the Ice Follies. His salary of \$250 a week, he said, was more than his father, Thomas Carroll, had ever made as superintendent of schools in Worcester. By 1964, he had become a full-time coach and bit-part actor in Los Angeles, appearing in beach movies where, he said, his Irish skin was so pallid that "they had to spray me tan."

"When I'm in the Eiffel Tower in the Jules Verne restaurant, I think, 'What am I doing here? I remember the pond in Worcester,'" Carroll said. "It's funny how life takes you in different directions."

Carroll and Kwan have had their differences, especially when she was 12 and she took the test to jump from the junior rank to senior rank without his knowledge. But otherwise, Carroll said, "It's great to have an athlete who has really worked hard, who has done everything right, who is a real pleasure to be around and who is kind and thoughtful to other people."

Perhaps because of Bowman's unhealthy diversions, Carroll has kept tight reins on Kwan. He has kept her from staying in the Olympic Village. And he ushered her away from a media scrum the other day when the conversation turned in the possibilities of a bad performance.

Two years ago, he convinced Kwan's parents that she was old enough to begin wearing makeup and performing a role as mature and dramatic as Salome.

On a whim last summer, he picked up a compact disk of a Rachmaninoff piano concerto for \$4.95. It became the dramatic accompaniment for Kwan's short program at the national championships that drew perfect artistic marks of 6 from seven of the nine judges.

"Frank has been there," Kwan said. "When he tells you the direction you need to go, you believe him. He showed me the path that led me to where I am today."

## OLYMPIC SCOREBOARD

MEDALS			
COUNTRY STANDINGS			
	Gold	Silver	Bronze
United States	1	0	0
Canada	0	1	0
Germany	0	0	1
France	0	0	1
China	0	0	1
Japan	0	0	1
South Korea	0	0	1
Italy	0	0	1
Belarus	0	0	1
Finland	0	0	1
Sweden	0	0	1
Switzerland	0	0	1
Poland	0	0	1
Czech Republic	0	0	1
Ukraine	0	0	1
Belgium	0	0	1
Russia	0	0	1

ALPINE SKIING			
WOMEN'S COMBINED			
1. Martina Ertl, Germany, 1:11.16	2. Heidi Gerg, Germany, 1:11.58	3. Hanna Gullik, Italy, 1:11.52	4. Stefania Schwaiger, Austria, 1:12.15
5. Krista Sedgwick, Germany, 1:12.22	6. Monika Bergmann, Germany, 1:12.22	7. Anja Schwaiger, Austria, 1:12.22	8. Anja Schwaiger, Austria, 1:12.22

WOMEN'S 1,000M			
1. Mariya Yermolova, Russia, 1:36.24	2. Mariya Yermolova, Russia, 1:36.24	3. Mariya Yermolova, Russia, 1:36.24	4. Mariya Yermolova, Russia, 1:36.24

WOMEN'S 500M			
1. Mariya Yermolova, Russia, 1:36.24	2. Mariya Yermolova, Russia, 1:36.24	3. Mariya Yermolova, Russia, 1:36.24	4. Mariya Yermolova, Russia, 1:36.24

IT DOESN'T GET ANY FASTER THAN THIS.

Consider it done.



